

CITY OF  Armadale

ANNUAL REPORT 2006 | 07



Armadale  Alive!



## Contents

|  |    |
|--|----|
| A snapshot of the City of Armadale ..... | 1  |
| Mayor's foreword.....                    | 2  |
| Chief Executive Officer's report .....   | 3  |
| Your council .....                       | 4  |
| Organisational structure.....            | 5  |
| Corporate services.....                  | 6  |
| Development services.....                | 8  |
| Community services .....                 | 13 |
| Technical services .....                 | 16 |
| Plan for the future.....                 | 19 |
| Statutory reports.....                   | 21 |
| Independent audit report.....            | 23 |
| Financial report.....                    | 25 |
| Financials .....                         | 26 |



# Snapshots

Located only 30 minutes south east of the CBD, the City of Armadale is a growing regional centre at the heart of a bustling urban community that offers a relaxed lifestyle with all the conveniences of modern day living. Boasting a modern City centre nestled amongst scenic parks, undulating hills and picturesque valleys, the City takes pride in its cultural heritage and unique community feel.

The City of Armadale is experiencing rapid growth – in fact the City has been earmarked as one of the top five growth regions in the Perth metropolitan area.

Millions of dollars worth of revitalisation projects have been delivered via the State Government appointed Armadale Redevelopment Authority, two major shopping centres are expanding to the tune of \$150 million, a new training centre is being constructed and property prices are booming.

With a growing population, the City is developing rapidly with large new residential estates at Seville Grove, Harrisdale, Piara Waters and Brookdale.

Other catalysts for the City's future growth include the development of an international rowing facility and white water park at Champion Lakes; and the eagerly anticipated Wungong/Brookdale Urban Water Project which will eventually house 40,000 people.

The City of Armadale organises and funds an extensive range of community events including concerts, exhibitions, an Australia Day fireworks extravaganza and the largest Scottish festival in WA .

## Vision

Our vision is for the City of Armadale to be:

- a strategic regional centre
- strong in opportunity
- clean, green and prosperous
- a place combining City living with a beautiful bushland setting
- a place where change is welcomed
- a great place to raise children and grow old with dignity



## Our community will be recognised for:

- a tradition of innovation, readily embracing new people and new ideas
- a strong sense of hospitality and tolerance
- pride in its City

The six 'steps to the future' or key result areas that will help us realise our vision are:

- planning ahead and evaluating progress
- building our community
- communicating and marketing
- developing our City
- developing our organisation
- providing physical infrastructure and caring for the natural environment

Our commitment to the future is to create a caring vibrant City, rich in history, heritage and lifestyle.

## History

Significant dates in Armadale's history include:

- the creation of the Kelmscott Road Board in 1894
- the renaming of the Kelmscott Road Board to the Armadale Kelmscott Road Board in 1910
- the designation of the Shire of Armadale Kelmscott in 1961
- the proclamation of the Town of Armadale in 1979
- the creation of the Armadale Redevelopment Authority to assist and facilitate the development of the district in 2001

## Current facts

The City of Armadale has:

- a population of 55,133
- an area of 560.4 square kilometres
- 553 kilometres of roads
- 1,645 hectares of parks and reserves
- 20,018 homes
- 22 primary schools
- eight secondary schools
- three libraries
- localities and suburbs which include Armadale, Bedfordale, Brookdale, Champion Lakes, Forrestdale, Kelmscott, Karragullen, Mt Nasura, Mt Richon, Roleystone, Seville Grove, Westfield, Wungong, Harrisdale, and Piara Waters.

# Mayor's Foreword



At the end of the 2006-07 financial year and at the start 2007-08, the municipality is poised at a watershed in its history.

Major construction projects in the Armadale town centre have been matched with a record number of houses under construction – 554 single dwellings and 146 group dwellings were issued with building

licences during the year, with a total declared construction value for all buildings in excess of \$250 million (see graphs on page 10). The rapid expansion of Seville Grove is now being matched by new high quality suburbs to the west at Harrisdale and Piara Waters.

Redevelopment of the Kelmscott town centre is also moving into the next phase now that the Woolworths centre refurbishment has settled down. Along the highway through Kelmscott, some 18 commercial or residential projects have either commenced or have been submitted to Council for scrutiny.

Some projects are taking longer to come to fruition than others, but that reflects first of all, changes to the market place, and also Council's determination to continually raise the bar so that developments meet higher and higher standards.

The financial year just completed has been one in which the booming Western Australian labour market has impacted on

Council's ability to deliver our services. Not only is it becoming more difficult to retain or find new staff, but those tasks contracted out to specialist organisations are also running into delays as they also find it hard to keep staff. Those staff who have worked for Council over the year have performed extremely well and we thank them for their efforts, and their loyalty.

Council has continued to make road safety a high priority and it is constantly engaged in major road network upgrades and refurbishments to increase safety for the rapidly growing amount of traffic that travels on our roads. Our growing cycle and footpath network and public transport furniture upgrades are also designed to encourage more residents to consider public transport and other alternatives to private car use.

Working with the Armadale Redevelopment Authority has remained a priority, and they have made real progress on a number of fronts over the 12 months to the end of June 2007. Champion Lakes in particular is a great credit to their hard work, as is the Australian Technical College (ATC) that we jointly lobbied the Federal Government to establish in Armadale. The ATC's temporary premises are complete and occupied, and their permanent building will soon rise out of the ground.

Council has again been very well served by our elected representatives in both the State and Federal Parliaments. On your behalf I thank them for their willingness to work with us to make this a truly great Regional centre.





# CEO's Report



As Chief Executive Officer, I'm pleased to once again report on the progress of your City over the year just past.

In this period of demand and growth, it is easy to lose sight of our direction and our priorities. Ten years ago it was apparent that the well-being of our community was at risk and Armadale was faced with at best an ordinary future, at worst – a bleak one.

The City's Strategic Plan became its 10 Year Plan and then its 15 Year Financial Plan. The Plan is still based on a simple philosophy: measure and determine your means, establish a sound financial base – then balance affordability with priority.

The City's 15 Year Plan anticipates every new lot and each new citizen. The region must grow to gain the full benefit of the private and Government investment of recent years. Quality shopping centres, railway stations, parks and libraries can only be sustained through the continued custom, support and investment of the surrounding populace.

In 2006-07, the City's Budget increased to well over \$40M and our workforce grew to 237 full-time equivalents, (or 273 staff in total). A primary area of growth has been in the area of planning and building approval with over 800 new lots created and a record number of building approvals granted.

The work of the City's Planning staff was recognised when the North Forrestdale Structure Plan won the Planning Minister's Award for Planning Excellence 2006.

Community Services staff again delivered the City's successful events programme and continued their essential role in regulating parking, dogs and bushfire matters. However, much time is also spent on forward-planning for community development, the new libraries in Armadale and Kelmscott, the long awaited upgrade to the Armadale Aquatic Centre and a study of future recreation needs.

The Technical Services Directorate expends the bulk of the City's Budget and must compete in Perth's buoyant market to bring skilled workers, contractors, equipment and services to Armadale.

The CEO's Office and Corporate Services Directorate are responsible for linking all of the City's services to its strategic objectives.

With a view to the future, Collective Workplace Agreements have been developed for all staff, providing certainty to both staff and management and enabling proper financial planning. Human Resource staff have developed a strategy to stem the flow of

corporate skill and knowledge through the loss of experienced staff as the Australian workforce ages. This strategy was a national finalist for the Australian Human Resources Institute Awards.

Armadale's strong emphasis on strategic planning and protecting the future well-being of its community has led to an advocacy role for growth municipalities at both a State and Federal level. Your Mayor is the national spokesperson representing the 40 fastest growing Councils in Australia. The City's advice is sought on key expert forums and this strong representation is essential to bringing about change to benefit the district.

I am confident that time will demonstrate the importance of the work of this current decade. Whilst it was disappointing in 2006-07 to see time and effort wasted in defending the City against dis-information and misleading publicity, the all important framework for the future is in place. The Council, staff and community of Armadale can be proud of their progress over the past year.



# Your Council



Cr Linton Reynolds AM JP Mayor



Cr Pat Hart



Cr Alison Cominelli JP



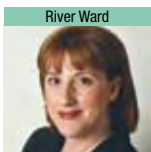
Cr John Knezevich



Cr Guenter Best



Cr Jim Everts



Cr Ruth Butterfield



Cr Jim Stewart



Cr Laurie Scidone



Cr June MacDonald



Cr Jeff Munn Deputy Mayor



Cr Bob Tizard



Cr Graham Wallace



Cr Henry Zelones

The City of Armadale is the local government representing the communities of Armadale, Bedforddale, Brookdale, Champion Lakes, Forrestdale, Kelmscott, Karragullen, Mt Nasura, Mt Richon, Roleystone, Seville Grove, Westfield and Wungong of which some two-thirds is State forest.

Armadale City Council is the elected body responsible for the administration of the City. It undertakes this responsibility by:

- directing and controlling the City's affairs
- taking responsibility for the performance of the City's functions
- overseeing the allocation of the City's finances and resources
- determining the City's policies.

Elections are held every two years on the third Saturday in October. Councillors are elected for four year terms with half retiring every two years. No elections were held within the 2006-07 reporting period.

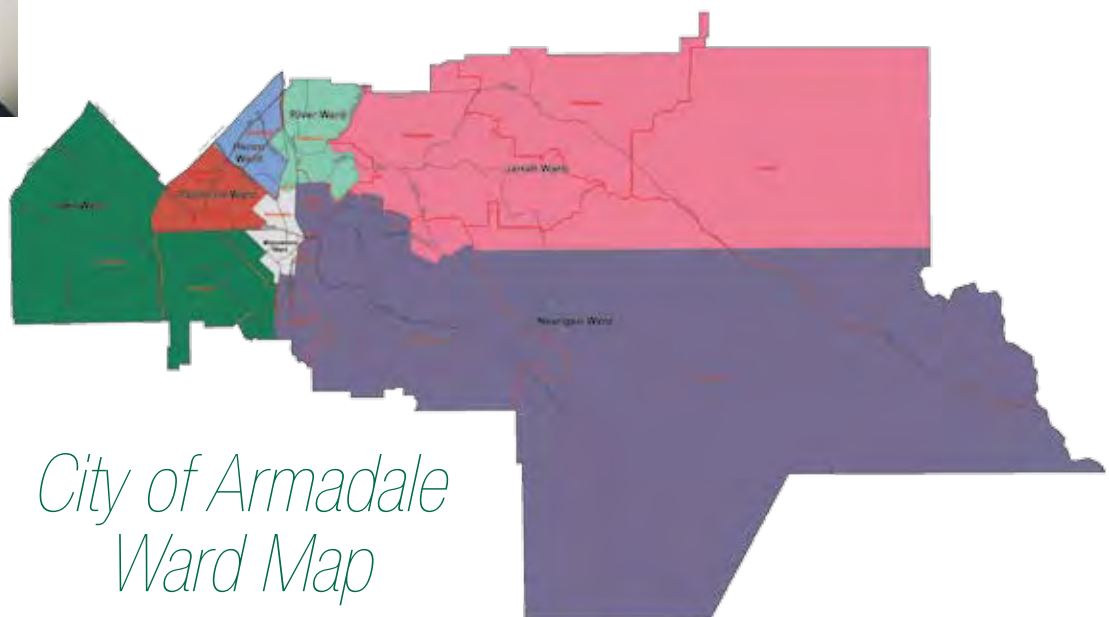
The Mayor and Deputy Mayor are elected by the Councillors every two years at the first meeting of Council following each ordinary election.

The Armadale City Council meets regularly to make decisions on behalf of local residents. There are four primary committees of Council, each concentrating on one of the following areas:

- City Strategy - considers corporate matters, reviews the City's strategic and financial position and matters that cross the boundaries of other committees
- Community Services - deals with all recreation, aquatic, library and cultural matters as well as community development issues and ranger services
- Development Services - considers development proposals, subdivisions, land-use matters, swimming pools, building applications, building safety, immunisation, food handling and disease control
- Technical Services - is responsible for roads, footpaths, parks, reserves, the construction and maintenance of Council buildings and the collection and disposal of waste, including recycling.

All Committee and Council Meetings are open to the public. Committee Meetings are held monthly and Council Meetings twice monthly. Meeting dates and times and copies of the agendas and minutes from previous meetings are listed on the City's web site at [www.armadale.wa.gov.au](http://www.armadale.wa.gov.au)

The City of Armadale is divided into the seven wards of Heron, Jarrah, Lake, Minnowarra, Neerigen, Palomino and River (see Ward map). Two Councillors are elected to represent each of these wards for a period of four years. The Armadale City Council is made up of fourteen Councillors, including the Mayor.



# Organisational Structure



**Chief Executive's Office**  
Ray Tame, CEO



**Corporate Services Directorate**  
Tony Maxwell, Executive Director



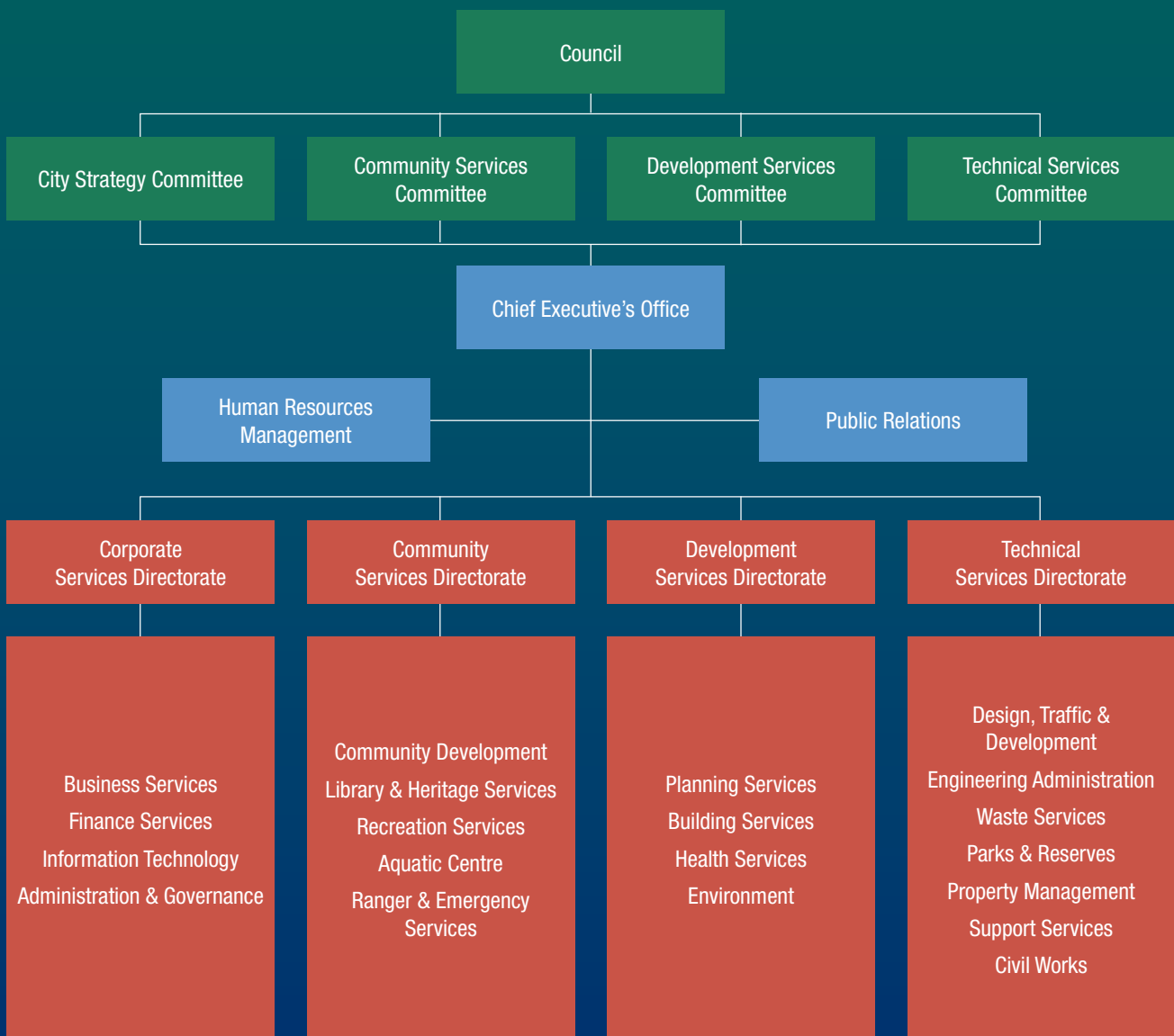
**Community Services Directorate**  
Carl Askew, Executive Director



**Development Services Directorate**  
Ian MacRae, Executive Director



**Technical Services Directorate**  
Andrew Bruce, Executive Director





# Corporate Services



The Chief Executive's Office is responsible for the overall management and strategic direction of the City of Armadale.

Together with the Corporate Services Directorate, it is responsible for human resource management, public relations, financial management, administration, rating, information technology and records management, electoral matters, Councillor services and governance.

Some of the key achievements of the Chief Executive's Office and Corporate Services Directorate from the 2006-07 financial year are highlighted below:

### Projects Associated with the Armadale Redevelopment Authority

The City has continued to work with the Armadale Redevelopment Authority (ARA) on the advancement of projects integral to the economic development of the district.

The Australian Technical College is now conducting courses at its new premises in Commerce Avenue.

Both the Armadale CBD and Kelmscott Town Centre have a new look as vigorous commercial regeneration continues. Major expansion of the two main Armadale Shopping Centres is well under way in anticipation of significant population growth in the district.

The Champion Lakes international rowing course was opened in April and development of the surrounding area, including a quality residential estate, is being advanced by the ARA.



Work continues with the State Government and our partners at the ARA on the Wungong Urban Water Project (formerly Brookdale), now anticipated to provide population growth of up to 40,000 people.

### Advocacy for new funding

As the City refines its long term financial strategy, it is clear that unless there is acceptance of a new funding regime (such as different rating or a new share of the tax 'cake'), that no local authority can genuinely fund all of the assets and services currently expected by modern urban communities.

This is particularly critical in the metropolitan growth areas where new populations expect new facilities but are unaware of the true ongoing cost.

Armadale is working with other outer-metropolitan growth Councils in WA and on a national basis to alert State and Federal Governments to this critical issue.



We believe it is critical to the future sustainability of local communities throughout Australia, and Armadale is at the forefront of this campaign.

### Training and Development

The City has continued to implement its extensive training and development program for staff at all levels. This year a Diploma in Business (Local Government) course was offered to staff at all levels of the organisation.

A study has been completed on the impact of ageing in the workforce and promoting an age-friendly workplace. Other training programs offered to staff, included areas of customer service, communication, computer skills, disability awareness, finance and governance, teamwork and performance management.

### Equal Employment Opportunity

The City implemented its revised Equal Employment Opportunity policy and has undertaken a corporate Equal Opportunity Awareness programme. The City aims to provide a work environment that fosters good working relationships where employees, contractors and volunteers are treated fairly and equally without discrimination.



### Recruitment and Retention

WA's growing skills shortage has required the City to explore alternative recruitment strategies to attract and retain key staff. A complete revisit of the City's recruitment, orientation and induction processes has been undertaken. Other strategies include the new Collective Workplace Agreement and extension of the City's apprenticeships/trainee program. The City has also offered many local students the opportunity to gain work experience to enhance their skills and career opportunities.

### Industrial Relations and Agreements

In WA's intensely competitive employment market, it is important that the City is seen as an 'employer of choice'.

Following on from the 2006 Field Staff Enterprise Bargaining Agreement, the City has negotiated a Collective Agreement Mechanical Services and recently completed its Collective Agreement 2007 for the City's administrative and supervisory staff.

These landmark agreements provide a sound base to promote the City in the WA employment market and help retain its valuable human resource.

### Occupational Safety and Health

The City continues to develop its Occupational Safety and Health Management Plan, which is aligned with the City of Armadale's Strategic Plan.

The Plan includes annual health assessments offered to all staff and regular skin cancer screening and flu vaccinations.

A Job Safety Analysis programme was completed and a new safety awareness programme included in the corporate training schedule.

### Marketing and Communications

As part of the City's Marketing and Communications Strategy, the website has been re-designed, and a key corporate publication, City Views distributed to all local households every two months. Entry signage has been re-designed to be consistent with the City's style guide and recruitment advertisements updated to better reflect the City's corporate image.

Considerable time has been taken in 2006-07 in better communication with the media and dealing with disinformation put out by various sectional interests.

### Freedom of Information

The stringent demands of the Freedom of Information Act have required the City to allocate more and more time to dealing with claims for access to information. The Act requires the City to research information, contact third parties then liaise with the FOI Commissioner's Office in releasing information that is not otherwise publicly available.



### Electronic Record Management

In May 2007, following several months of testing and user-training, a new Electronic Records Management System called TRIM Context was successfully launched. TRIM is a 'tried and tested' specialist record management software. With its superior record management capabilities and ease of operation for all users including record professionals, it has already proven its organisational worth and is another step towards achieving best practice in record keeping.

Additionally, on the 5th October 2006, the State Records Commission approved the City's Record Keeping Plan which was updated and re-written during the previous financial year.

### Telephone System Upgrade

A new state-of-the-art telephone system – the MITEL Voice-Over-Internet-Protocol (VOIP) – was installed, which provides a vast array of call management features previously not available, and importantly, will reduce future telephone call and management costs. This new telephone technology replaced the former PABX telephone system which had reached the end of its useful life.

### Replacement of IT Networking Infrastructure

In the past financial year, the City successfully replaced the core of its IT networking equipment. The core wireless link joining the main Administration Centre and 'out centres' was also replaced due to lightning strikes.



# Development Services

Development Services covers the areas of planning and development, building, the environment and health control.

Some of the significant achievements of the directorate over the past financial year are highlighted below:

## Town Planning

### Amendments to TPS No. 4

The City's town planning scheme was gazetted on 4 November 2005. Since then, 37 amendments – all of which require processing by the Planning Department – have been initiated, reflecting the growing attraction of the City for investors and developers. Of all the amendments, No.5, concerning the introduction of Restricted Use provisions in respect of Lot 62 Croyden Road, Roleystone, has attracted the most community attention and administrative commitment, including the processing of a large number of submissions and the holding of a Special Electors Meeting on 5 October 2006.

### Development applications

Increased development opportunities arising from the finalisation of TPS No.4 and the general demand for housing in the district have led to a large number of applications for grouped dwelling development.

### Management of planning appeals and prosecutions

The Directorate was involved in several appeals in 2006-07, although only one appeal was formally heard. The Compliance team has been successful in resolving many issues that would have ordinarily ended in litigation. An on-going program of pro-active inspections and actions commenced, focused initially on Brookdale, Araluen and parts of West Armadale residential areas and the South Armadale Industrial area.

### Continuing support to the Armadale Redevelopment Authority

The City continued to work closely with the Armadale Redevelopment Authority (ARA), to progress planning within its

development areas in Armadale and Kelmscott. A major project involving the City's planning staff working closely with the ARA, was the planning of the Wungong Urban Water area.

### Policy Reviews

- A number of Local Planning Policies have been reviewed or formulated including:
- Residential Density Development Policy
- Signs Policy and Local Law
- Tree Preservation Policy
- Landscaping Policy



### 2006 Planning Institute Awards

The planning of North Forrestdale has been guided by the North Forrestdale Structure Plan which was recognised in the 2006 Planning Institute Awards in receiving the Planning Minister's Award for Planning Excellence and a special commendation for Urban Planning Achievement.

### North Forrestdale development

A significant level of development has occurred in North Forrestdale with over 800 lots created. A development contribution scheme was adopted which ensures equitable contributions are made towards necessary infrastructure by the landowners. Income and expenditure in relation to this contribution scheme for 2006-07 totals several million dollars with some of this money being spent on land acquisition and building part of Nicholson Road to a dual-carriageway standard.



Federal Minister Turnbull announces funding of the Wungong Urban Water project, as local MP Don Randall looks on.





#### Municipal Heritage Inventory (MHI) Review

The review of the Municipal Heritage Inventory progressed with the assessment and review of public comment taking place in the last financial year. The City also joined the WALGA Heritage Loans Scheme.

#### Public Open Space Strategy

The City completed its Public Open Space Strategy in 2000 and considerable progress has been made this past financial year, with Stages 1 to 6 being completed and Stage 7 in its final stage.

#### Suburb Naming

Suburbs were renamed in parts of North Forrestdale to Harrisdale and Piara Waters. The Council also adopted the renaming of part of Brookdale to Hilbert and Haynes.

#### Provision of the Keane Road link

Detailed investigation has confirmed the advantages of providing a road link between the new suburbs of North Forrestdale and Armadale's central business area through the Keane Road gazetted road reserve. A full report awaits approval by the EPA.



# Building

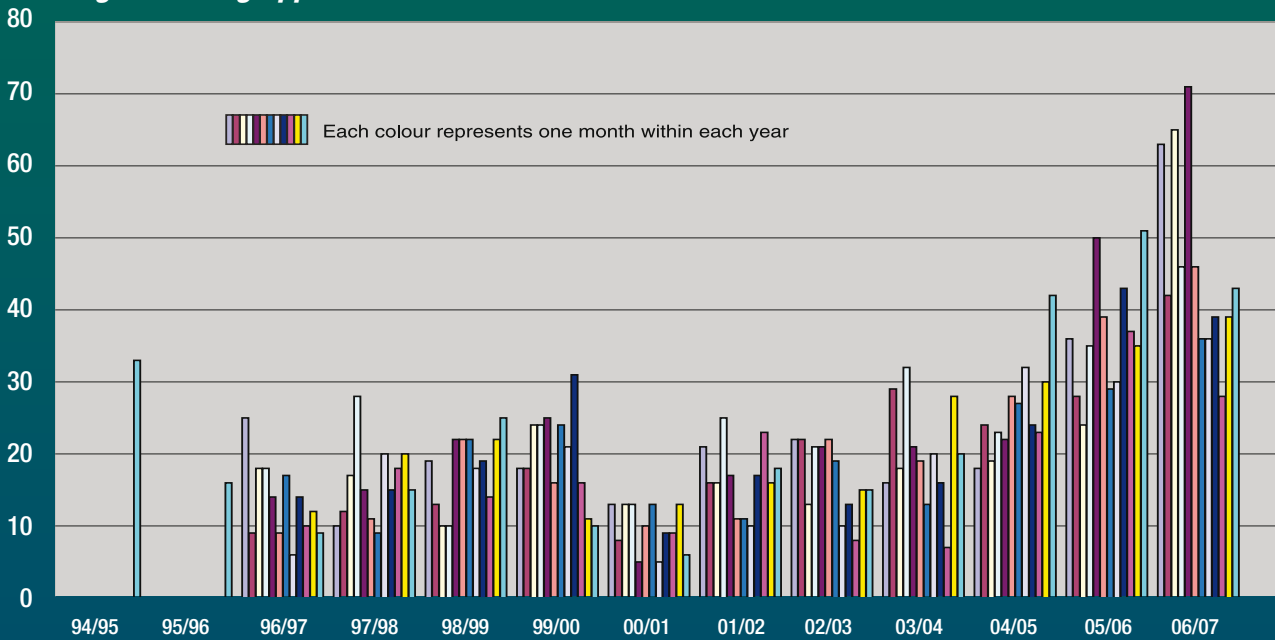
## Building Approvals

Record numbers of building approvals were issued during 2006-07, and a high number of building approvals is set to remain for many years to come given the continuing supply of high-quality residential lots.

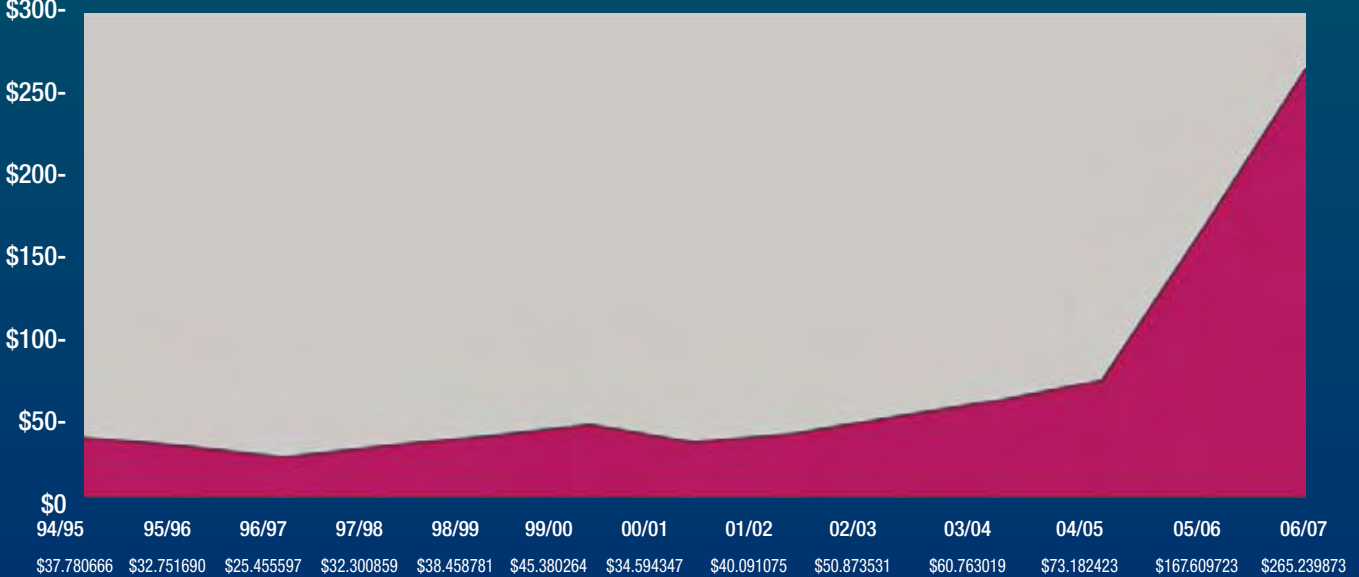
Building provided considerable assistance to facilitate the two major retail developments currently under construction in the city centre.

The two graphs below illustrate the rapid growth in single dwelling approvals and the value of development within the City of Armadale over the past decade.

### Single Dwelling Approvals



### Value of Building Permits Issued





## Health

### Immunisation

Students were immunised as part of the Year 7 vaccination programme, which commenced at the start of 2007. The State Government approved a state-wide mass immunisation programme for Years 10-12 against Human Papilo Virus (HPV), which was implemented locally.

The City's weekly immunisation clinics still provide a free service for infants and adults eligible for vaccinations under the Immunisation Schedule.

### Food Sampling

As part of the food monitoring programme, 29 food samples were taken during the year. Results showed that five samples required follow up. All except one of these five related to problems with the accuracy of the product's nutrition information panel. Problems with these products have been referred to the manufacturer.

### Industrial Inspections

In February 2007, a second round of industrial inspections was carried out in conjunction with SERCUL (South East Centre for Urban Landcare). Many of the businesses surveyed had made improvements to their disposal systems since the initial inspection. Follow up inspections will be ongoing for those premises where problems have been identified.

## Environment

### Environmental volunteers

Through the City's Bushcare and Environmental Advisory Committee, environmental volunteers reported over 5,000 volunteer hours in the 2006 calendar year. A well-attended celebration in recognition of the efforts of the environmental volunteers was hosted by the City in late 2006.



In late 2006, the City joined the Local Nature Spot project coordinated by the West Australian Local Government Association. This project also relies on volunteers and aims to research community attitudes and behaviours in three of the City's bushland areas in order to develop strategies to further engage the local community in conservation.



### Switch Your Thinking

The *switch your thinking!* programme continued to achieve outstanding success winning two national awards and two State awards. The awards were in recognition of the programme's sustainability initiatives and partnerships, community energy efficiency, and for government leading by example.

The City of Armadale along with the City of Gosnells, the Shire of Serpentine-Jarrahdale and the Armadale Redevelopment Authority make up the South East Regional Energy Group (SEREG) which runs the programme. The switch your thinking! rebate scheme was a success and continues in 2007-08.



SEREG partnered with a myriad of stakeholders including local businesses, display home builders, developers and government agencies in 2006-07. Major projects reflecting the partnership included The Green House, and Newhaven Estate – WA's first 5-star rated display village – which together attracted more than 4,000 visitors.

#### State of the Environment Report 2005

The State of the Environment Report continued to be implemented with some of this financial year's highlights being:

- Policies were developed to increase the use of local plants, and addressing subdivision over watercourses
- Completion of natural area assessments for input into a Local Biodiversity Strategy
- Updating of the City's Environmental Purchasing Policy by joining the ICLEI Greenhouse Purchasing programme
- Continuing education of the community about off-road vehicle use
- Improvements to the management practice associated with the City's Dieback Policy



#### Focus on bushland management

The City continued efforts to remove serious environmental weeds from bushland still in good condition and minimise the spread and impact of dieback.

Grants were received which assist in the implementation of Bushland Management Plans.



#### Protecting our rivers

The City and the Armadale Gosnells Landcare Group continued to work together to maximise grants. The Group was successful in obtaining funding to upgrade a significant section of the Wungong River which covers a three year period, commencing in 2007-08.





# Community Services

The Community Services Directorate is responsible for delivering and managing the following Council Services:

- Community Development
- Ranger Services
- Fire and Emergency Services
- Recreation and Leisure Services
- Cultural & Community Events
- Library Services
- Heritage & Visitor Centre Services
- Community Services Administration

Community Services successfully provided a number of services, programmes and activities in the 2006-07 year, as detailed below.



## Libraries

The libraries continued to focus strongly on early childhood literacy, with ongoing participation in the Better Beginnings programme which sees every new baby born in the City receiving a book as part of a kit to promote the importance of reading to your baby. As a central hub of community life, the libraries also provide reading and writing groups, storytelling, school holiday activities, a multicultural group, Year One membership drive, community information talks, Baby Rhyme Time and Bub Hubs sessions.



## Heritage

The appointment of a consultant to carry out an Interpretation Plan for the museum has been achieved through grant funding and has commenced.

As part of the Oral History Project, segments of recorded oral histories were made available on the City's website. Our website also contains Local Government Lesson Plans, which were developed as part of a curriculum-based programme for young students to learn about local government.

Just over 2,500 people visited the History House Museum and Birtwistle Local Studies Library collectively during the year.

The Bert Tyler Vintage Machinery Museum attracted 3,000 visitors.

## Visitor Servicing

Excellent promotional opportunities have flowed as a result of the Visitor Centre gaining Level One Visitor Centre Accreditation. Opening hours were extended and a Tourism Guide produced which was distributed locally and state-wide.

Close to 7,500 people visited the Centre during the year.

In excess of 1,600 volunteer hours have ensured that the Centre remained open for the required hours to ensure Level 1 Accreditation was achieved.



### Community Development

The Community Development team gives advice and advocates in regard to community activities, programmes and services, and assists in the development of community projects.

The team actively assists organisations with writing grant applications and is responsible for implementing the City's Requests for Assistance Policy. A total of \$80,649 was distributed in 2006-07.

Community Development also manages the Armadale Gosnells Volunteer Resource Service which is instrumental in promoting volunteering and providing information and opportunities to volunteers.



A highlight of the past year was initiating the creation of an Indigenous Development Centre at Council's community facility on Champion Drive, which will provide a 'one stop shop' service and neutral meeting place for the Indigenous community.

A snapshot of some of the other activities Community Development has been involved in during the last twelve months include:

- Meet in the Street events as part of an overall community development strategy to address antisocial behaviour in the Westfield area,
- Intergenerational activities that encourage interaction between all ages including a playgroup involving Dale Cottages,
- Mobility Maps for major shopping precincts,
- Children's Week, Safety Week and Volunteer Week activities,
- Youth Careers Conference,
- NAIDOC Celebrations,
- Developed the Draft Community Consultation Policy,
- Youth Precinct Study.

### Recreation

Recreation Services are involved in a diverse range of projects and programmes related to creating an active and healthy community. Throughout the year, the department works with approximately 300 community and sporting groups and manages Council's recreation facilities and cultural events.

Achievements from the past year include:

- Delivery of a diverse, high-quality Cultural Events programme, which attracted approximately 70,000 local residents and visitors, and is an important part of the City's public relations activities.
- The Spring Bushwalks programme was again a great success and attracted good attendances. Approximately 20% of attendees came from outside the City.

Recreation Services attracted \$157,000 in grants and sponsorship for a range projects and events.





Over 135,000 patrons enjoyed the facilities and services available at the Armadale Aquatic Centre during the season, although attendances were down on previous years.

The redevelopment of the former pool site at Rushton Park was officially opened during the year and now provides a quality, passive recreation facility for the community to enjoy.

Lighting was upgraded at Gwynne Park, Armadale Bowling Club and William Skeet Reserve.

A major study commenced to assess the need for additional active sporting reserves required to accommodate the City's rapidly growing population.

A review of the management of Armadale Arena resulted in Council supporting the Armadale PCYC's decision to remain based at the Arena in the long term.

### Rangers

The primary focus of Ranger Services is managing the response to the community following requests for service. This has increased over the last five years commensurate with the population growth and the general requirement for Ranger Services to enforce a number of Acts of Parliament and other Local Laws relating to Local Government operations and jurisdiction. Core areas of activity include dogs, parking, off-road vehicles, livestock, litter and fire services. Approximately 70% of rangers' time is spent on these activities, with the remainder devoted to matters such as school education programmes, school parking, pound duties, courier deliveries and court actions.



# Technical Services

The Technical Services Directorate is responsible for roads, footpaths and drainage, building and maintenance, parks and reserves, waste and recycling collections, composting and landfill, maintenance of Council assets and support services.

Some of the significant achievements of the Directorate during the 2006/07 financial year are highlighted below.

## Civil Works

### Road Construction

Railway Avenue was reconstructed from the Lake Road roundabout to Westfield Road at a cost of \$746,000.

Brookton Highway and Echo Road intersection was improved to accommodate a pedestrian refuge island in Brookton Hwy. The works were completed by the City on behalf of Main Roads WA at a total cost of \$287,000.

McNess Drive was reconstructed from Croyden Road to the Canning Dam at a cost of \$390,000.

Nicholson Road second carriageway from Warton Road to Harrisdale Road (formerly Wright Road) was constructed to improve traffic conditions and road safety due to the subdivision developments in the area.

### Roundabouts

New roundabouts were constructed at Fifth Road/Forrest Road and Gilwell Avenue/Page Road at a total cost of \$280,000. The roundabout at Corfield Street/Lake Road/Railway Avenue was completed in August 2006.

### Car parks

Forrestdale Hall car parks were upgraded on either side of the Hall. The improvements to the car parks included drainage and an asphalt surface.

### Drainage

New drainage and subsoil drainage works were carried out at Bernard Street, Bilkurra Way and Lake Road at a total cost of \$197,000.

### Footpath Construction

23 new footpaths were constructed at various locations during the year at a cost of \$508,000.

### Road Resurfacing

Ongoing road resurfacing programme involved the resurfacing of 28 roads at a cost of \$830,000.



## Parks and Gardens

The City maintains 234 parks, natural areas, street gardens, community facilities and public access ways.

During the 2006-07 financial year, \$3.3 million was spent on parks and reserves maintenance, with a further \$1 million on development projects. Some of these projects include:

### Streetscaping

Streetscapes projects completed included landscaping roundabouts on Armadale Road in Forrestdale, Lake Road/Railway Avenue intersection, Gilwell Avenue, Kelmscott and Forrest Road, Armadale. Ongoing streetscape improvements are continuing along Champion Drive, Corfield Street and Commerce Avenue. Park improvements continued in Rushton Park and the Armadale Aquatic Centre entrance.

### Playgrounds

The City has 74 playgrounds with new play equipment installed in Cross Park, Roleystone; Frye Park, Kelmscott and Kuhl Park, Westfield. Several old playgrounds have been replaced in recent years.





### Irrigation

In 2006 the City's Parks Department developed a water operating strategy in consultation with the Department of Water to achieve a sustainable irrigation supply for the City of Armadale and is continuing to use water wisely in line with the State water regulations. Water flow meters were installed at 10 park sites during 2006-07 to monitor water usage. Further water flow meters will be installed in coming years.

### Recreation

In 2006-07 improvements to the City's sporting facilities included lighting upgrades at the Armadale Bowling Club, Gwynne Park and William Skeet Oval, Forrestdale. Turf renovations to keep the grass in good condition were carried out at Frye Park, William Skeet Oval and John Dunn Oval. Cricket wickets and nets were upgraded at William Skeet Oval, John Dunn Oval, Frye Park and Rushton Park.

### Environment

The City continues to support environmental initiatives undertaken by community groups, including those represented on the Bushcare Environmental Advisory Committee and Armadale Gosnells Landcare



Group. Nature reserve management plans have been developed and a range of environmental works are implemented on an annual basis such as weed control, interpretive signs, walk trails, fencing and revegetation programmes.

### Street Trees

Annual community tree planting is continuing to ensure the City of Armadale remains a 'green and leafy' district. A database of the City's street trees has been established to ensure the effective management of trees under powerlines to meet stringent Western Power regulations.

About 7,000 trees are pruned annually away from overhead

powerlines. Mulch generated from tree pruning operations is used in landscape projects across the City of Armadale and surplus mulch is sold to the public.

The Parks Department deals with over 2,000 customer requests annually covering street tree issues, park maintenance, verges, nature reserves, river care and environmental matters.

## Property Management

The City maintains 186 buildings, comprising of public halls, community facilities and clubrooms, and leased premises. During the year, a number of previously leased buildings have been returned to the City – John Dunn Hall, John Dunn Sportsman's Club, Reg Williams Pavilion, Pries Park Pavilion, the old PCYC at Champion Drive and the Tourist Centre. Additional funds were allocated for the general maintenance, insurances, utilities and cleaning expenditure of these facilities.

During the 2006-07 financial year, \$2.28 million was spent on building maintenance and asset preservation with a further \$120,000 grant allocation expended on development projects.

During the year, the following asset management and development projects were completed:

- Major upgrade of the Administration building's air conditioning system. The system replaced was over 20 years old. New design technology and electronic control systems will ensure the new system is more efficient, cost-effective and environmentally friendly.
- Internal refurbishments to the Administration building, including evacuation alarm system, emergency lighting, office furniture and carpets.
- Works at other buildings include installation of security systems, and modifications to ensure disabled access to buildings complies with building codes and statutory requirements. The City assisted in providing a new disabled access ramp and unisex toilet facility at the Cross Park football pavilion.
- As part of the restoration of Roleystone Theatre, the stage lighting was upgraded and an engineering assessment of structural treatments to the unstable earth bank at the rear of the theatre was completed.
- The Tourist Centre facility has been redesigned and upgraded internally and new electronic sliding doors were installed at the revamped entrance.
- History House office and kitchen areas have been redesigned internally to accommodate growth and storage areas and the

entry has been upgraded with the installation of a roofed canopy and electronic sliding doors.

- The Armadale Arena has had improvements made to the security and access to the front foyer/office area, new electronic sliding entry doors and fencing around the crèche playground area.
- Security lighting at Cross Park in Roleystone was completed with lighting to the skate park and along the access road to the Tennis Club.
- Internal redesign of the Westfield Child Health Centre provided additional office and examinations space, carpet replacement and general upgrade of the interior.
- New kitchen benches and cupboards were installed to the Roleystone Girl Guides building.
- The existing Reg Williams Pavilion has undergone a major internal redesign to accommodate the occupants and business of Minnowarra House. These changes were privately funded as part of the major retail shopping precinct redevelopment and the works undertaken by Property Management staff and sub contractors.

## Waste Management

The City's Waste Services Department continues to work towards the minimisation of waste to landfill and increased recycling levels. Recent increases in the financial rebate figures and the reduced amount of levy payable reflects the high levels of recycling at the landfill facility. These high levels of recycling reflect the City's consistent efforts throughout the year in effectively carrying out established programmes including:

- kerbside recycling collections,
- verge side green waste, junk and motor vehicle collections,
- the sale of salvageable material from the landfill facility,
- free mulched green waste for local residents.

Residential growth in the areas of Seville Grove, Brookdale, Forrestdale and Armadale central has led to the delivery of 525 new bin services during the 2006-07 year.

The success of the newly installed cardboard compactor at the Hopkinson Road Landfill Site in January 2007 has seen 238.5 tonnes of cardboard being processed.

The Resource Recovery Centre (RRC) has also been successful in its second year of opening with sales figures achieving its budgeted projection of \$69,500. The Centre has contributed to approximately 10% of the reduction of waste to landfill.

Approximately 70% of all trailer waste entering the landfill site is



There has been a significant upgrade of the facilities at Hopkinson Road to increase the volume of recyclable materials and to reduce waste to landfill. Council is committed to its recycling programme and will continue to educate and encourage the local community of the need for greater efforts in recycling.

E-waste (PC's, TV's etc) has had a large impact on society and the environment. Waste Services are currently undertaking a plan to open an e-waste facility at the Hopkinson Road Landfill Site in order to dismantle and recycle this material on site. This will provide an avenue for all residents to dispose of their e-waste in the most effective and environmentally friendly manner. The e-waste facility is to be run by Waste Services and volunteers within the local community. Proceeds from this venture will be put back into the local community.

A community workshop at the Armadale Landfill and Recycling Facility is planned to encourage local volunteers to participate in the various projects that will be run on site. This workshop will also be used to make repairs on salvaged items from landfill. With the recycling kerbside collections, local residents have been able to divert 34% of all waste produced from landfill.



# Plan for the Future

This is now the second year that the City has had the opportunity to comment on its Plan for the Future in the Annual Report.

This stems from changes made only a few years ago to the Local Government Act 1995 when Plans for the Future were first introduced in place of the previously required Principal Activity Plan. More specifically, s5.53(2)(e) of the Act states:

The annual report is to contain an overview of the Plan for the Future of the district made in accordance with s5.56, including major initiatives that are proposed to commence or to continue in the next financial year.

The City's Plan for the Future was first developed in June 2006. It has a five year planning horizon (currently spanning the years 2006-07 to 2010-11) and sets out the broad objectives of the City during that period. The Plan for the Future aligns and complements the City's Strategic Plan and its Fifteen Year Financial Plan. Collectively these Plans facilitate one of the most important roles of Council, i.e., to oversee the allocation of the City's finances and resources.

The Plan was most recently updated in a draft form (pending a review involving public consultation within the next 12 months) during the 2007-08 annual budget consideration and adoption process. The more major changes made to the original Plan are summarized as follows:



1. a **Freehold Land Sales and Investment Strategy** has been developed. This strategy will more effectively manage the City's land assets by maximizing returns, disposing and investing in new assets (70% of net sale proceeds are to be reinvested in income producing assets) and allocating part of the funds to strategic capital works. The estimates for this strategy are:
  - net sale proceeds - \$20.9m
  - 70% reinvestment in income producing assets - \$14.6m
  - allocation to strategic capital works - \$6.2m
2. a **Public Open Space (POS) Strategy** has also been developed with the primary objective more efficient and effective utilisation of POS lands across the City. The strategy seeks to identify and sell POS lands that are additional to current and future POS requirements, with 30% of net sale proceeds being set aside for development of reserves of regional significance. A Precinct methodology applies, meaning that proceeds from sales in a particular precinct will be spent on improving POS lands in that same precinct. The estimates for this strategy are:
  - net sale proceeds - \$7.6m
  - 30% allocation towards the development of regional reserves - \$2.1m
  - allocation to strategic capital works on POS lands to be retained - \$5.5m

Collectively, the above two new strategies when combined with other funding strategies, generate additional capacity for new capital works (including replacement and refurbishment of existing infrastructure) over the next five years. A snapshot of some of the proposed capital works, and their estimated costs and starting dates, are as follows:

- Aquatic centre retiling/preparatory works to indoor facility.....\$1m 2007-08
- New 25m indoor aquatic facility.....\$9m 2009-10
- Reserve Development
  - Pries Park.....\$100k 2008-09
  - Reg Williams precinct.....\$540k 2008-09
  - Gwynne Park.....\$300k 2008-09
  - Frye Park.....\$1.3m 2009-10
  - Rushton Park.....\$200k 2009-10
  - Alfred Skeet Reserve.....\$350k 2011-12
  - Cross Park.....\$100k 2011-12
  - Creyk Park.....\$150k 2010-11
  - John Dunn Reserve.....\$550k 2010-11
- Refurbishment of former PCYC facility in Champion Drive.....\$100k 2007-08
- Closed circuit television initiative.....\$150k over 3 yrs 2007-10
- Civil works in association with ARA projects.....\$648k over 3 yrs 2007-10
- Skateboard Park construction.....\$300k 2008-09
- Relocation of the Armadale Library Service.....\$863k 2008-09
- Conversion of Armadale Library building to office space.....\$431k 2008-09
- Refurbishment of Administration Office.....\$1.35m 2009-10
- New sporting facility in North Forrestdale.....\$450k 2010-11
- Relocation of the Kelmscott Library Service.....\$539k 2010-11
- Refurbishment of community facility in Nth Forrestdale.....\$750k 2010-11
- Extensions to the Administration Office.....\$3.5m 2011-12

Other new initiatives either occurring or to occur in the City, thanks to the establishment and great work being done by the Armadale Redevelopment Authority, resulting in both private and government investment in the City include:

- A new Government facilities building near the Armadale Railway Station. This multi-million dollar State Government project will be just down the road from the Federal Government's Australian Technical College (worth \$8 million) in Commerce Avenue.

- Work continues on the redevelopment of the City's two major shopping centres, Armadale Shopping City and Armadale Plaza. Over \$150 million has been invested in these two developments.
- Residential growth in North Forrestdale and Brookdale will accelerate in the next five years, with the City's population expected to double by 2026.
- The Forrestdale Business Park has become a focus for business investors and will be substantially developed over the next decade; and
- In 2007 Champion Lakes was commissioned for use by the WA rowing and canoeing fraternity. As the ARA advances this wonderful project the City will support the development of an Aboriginal Interpretive Centre in conjunction with its new Indigenous Development Centre on Champion Drive.

All of the above new initiatives add to those significant projects achieved in Armadale over the last five years such as the construction of the Tonkin Highway, a new cinema and a new railway station.

The City continues to realise its Vision and provide sustainable social and economic benefits for the City's residents well into the future.





# Statutory Reports

## State Records Act 2000 - Record Keeping Plan

The City's comprehensive Record keeping Plan (RKP) recognizes the importance of effective management of corporate knowledge and information. Secure storage, controlled access and the preservation of records will serve to ensure the continuation of informed decision-making and customer responsiveness.

The ongoing program of staff training on record keeping requirements and practices, including induction sessions for all new staff and regular refresher training, remains central to keeping the City's RKP current and effective.

The 2006-2007 year was a particularly busy period in that:

- the RKP was again updated to better reflect both organizational and customer needs;
- the State Records Commission on 5 October 2006 approved the City's revised RKP for a period of three years; and
- in May 2007, the City launched its new and improved image-based Electronic Document and Record Management System (TRIM).

## National Competition Policy

The National Competition Council was established by all Australian governments in November 1995 to act as a policy advisory body to oversee their implementation of National Competition Policy (NCP).

The areas of NCP most relevant to local government are explained in clause seven of the Competition Principles Agreement and include:

- competitive neutrality
- structural reform
- legislation review

Pursuant to the provisions of clause seven of the Competition Principles Agreement, the City offers the following update on relevant activities having occurred during 2006-2007.

### 1. Competitive Neutrality

The objective of competitive neutrality is to ensure government business activities (those that generate user pay revenues of more than \$500k pa) do not have competitive advantages or disadvantages relative to their privately owned competitors simply as a result of their government ownership. In this regard, there were no new business activities initiated or considered or non-compliance allegations made for the City to report.

### 2. Structural Reform

Structural reform involves introducing competition or, at a minimum, removing barriers to new businesses competing in the market so as to promote efficiency, minimizes waste and encourages responsiveness to customer needs.

The City did not privatise any activities in 2006-07 and as a consequence there were no obligations for structural reform.

### 3. Legislation review

The guiding principle in this area is that legislation (in particular local laws) should not restrict competition unless the benefits of the restriction to the community outweigh the cost or the objectives of the legislation can only be achieved by restricting competition.

All of the City's local laws (of which there are currently 13) as available on the City's website) are compliant with this guiding principle, and procedurally, this principle is part of the City's local law review process.

During 2006-07, a review of the Parking and Parking Facilities Local Law to reflect current Road Traffic requirements and operational procedures was substantially completed.

## Freedom of Information Act 1992 - Information Statement

A requirement upon all local governments is to have an Information Statement relating to the provision of information to the public.





The City's Information Statement was reviewed in November 2006 and a copy of this statement is available from Council's Administration Centre or the City's website at [www.armadale.wa.gov.au](http://www.armadale.wa.gov.au)

#### Public Interest Disclosure Act 2003

This Act aims to facilitate and encourage the disclosure of public interest information and to provide protection for both those who make disclosures and those about whom, disclosures are made.

The City, in acknowledgement of its obligations under this Act, has:

- implemented procedures to assist persons wishing to make a disclosure (these procedures are available on the City's website);
- appointed a Public Interest Disclosure Officer; and
- included the procedures as part of the induction process for all new staff.

During the 2006-2007 year, there were no public interest disclosures lodged with the City.

#### Disability Access and Inclusion Plan

In 2007 the City reviewed and lodged its Disability Access and Inclusion Plan (DAIP) with the Disability Services Commission. In complying with this request, Council's Disability Advisory Committee (DAC) liaised with the Commission, reviewed the plan and recommended that Council accept a number of amendments, including some minor changes to the format and timelines noted in the plan.

The Disability Access and Inclusion Plan 2007-2011 is indicative of the needs of people with disabilities in the community and ensures that the City meets changing legislative developments in creating an accessible and inclusive community.

In implementing the desired outcomes of the Plan, the City initiated the development of an Access and Inclusion Directory and Mobility Map for the central precincts of Kelmscott, Roleystone, Armadale and Westfield. This project involved the DAC as well as a working group made up of service providers and community members with disabilities, and will further demonstrate the City's commitment in ensuring that the whole of its local government area embraces the principle of inclusion. In addition, the City has, in partnership with the Armadale offices of the Disability Services Commission, developed a Swimming and Aquatic Therapy Programme designed to support people with disabilities participating in a variety of aquatic and swimming activities.

In order to ensure that people with a disability receive information in an appropriate format, the City's publication can, upon request, be provided in an alternative format such as braille, CD and audiotape. The City also provides regular 'disability awareness' and other similar types of training for all staff members. Further information on the full range of strategies and outcomes within the City's Disability Access and Inclusion Plan 2007-2011 as well as services, facilities and programmes for people with disabilities are available by contacting the City's Community Development Officer (Seniors and Disabilities) and from the City's website [www.armadale.wa.gov.au](http://www.armadale.wa.gov.au)





# Independent Audit Report



Certified Practising Accountants

PARTNER(S)  
Anthony Macri FCPA  
Domenic Macri CPA  
Connie Macri CA

## INDEPENDENT AUDIT REPORT

### TO: RATEPAYERS OF CITY OF ARMADALE

#### SCOPE

##### **The financial report and Council's responsibility**

We have audited the financial report of the City of Armadale, comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Rate Setting Statement and the notes to and forming part of the financial report for the year ended 30 June 2007.

The Council is responsible for the preparation and presentation of the financial report and the information contained therein. This includes responsibility for the establishment and maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. In Note 1, the Council also states that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

##### **Audit approach**

We have conducted an independent audit of the financial report in order to express an opinion on it to the ratepayers of the City of Armadale. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

Our audit involves performing procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 (as amended), including compliance with Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Council's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report and assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

The audit opinion expressed in this report has been formed on the above basis.

#### INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



## **AUDIT OPINION**

In our opinion, the financial report of the City of Armadale:

- (a) presents fairly the financial position of the City of Armadale as at 30 June 2007 and the results of its operations and its cash flows for the year then ended in accordance with applicable Accounting Standards; and
- (b) is prepared in accordance with the requirements of the Local Government Act 1995 (as amended) and Regulations under that Act, and the Australian Accounting Standards (including the Australian Accounting Interpretations).

## **STATUTORY COMPLIANCE**

During the course of our audit we became aware of the following instance where the Council did not comply with the Local Government Act 1995 (as amended):

Tenders for Providing Goods and Services-

As required under Section 3.57 of the Local Government Act 1995 and under Regulation 11 of the Local Government (Functions and General) Regulations 1996, the Council did not on all occasions invite tenders where the consideration under the contract was worth more than \$50,000.

Except as detailed above, no other matters of non-compliance were noted during the course of our audit where the Council did not comply with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996.

*MACRI PARTNERS*  
\_\_\_\_\_  
**MACRI PARTNERS**  
**CERTIFIED PRACTISING ACCOUNTANTS**  
**28 THOROGOOD STREET**  
**BURSWOOD WA 6100**

**PERTH**  
**DATED THIS 31<sup>ST</sup> DAY OF OCTOBER 2007.**

*A Macri*  
\_\_\_\_\_  
**A MACRI**  
**PARTNER**







**Financial Report  
For the year ended 30 June 2007**

**Local Government Act 1995  
Local Government (Financial Management) Regulations 1996**

**Statement by Chief Executive Officer**

The attached Financial Report of the City of Armadale, being the Annual Financial Report and Supporting Notes and other information for the financial year ended 30 June 2007 are, in my opinion, properly drawn up to present fairly the financial position of the City of Armadale at 30 June 2007 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and Regulations under that Act.

Signed on the 14th day of November 2007.

A handwritten signature in blue ink, appearing to read "R S Tame", is written over a circular stamp.

**R S Tame  
Chief Executive Officer**

# Financials

## City of Armadale – Income Statement by Program for the year ended 30 June 2007

|  | Note | 2007<br>\$   | 2007<br>Budget<br>\$ | 2006<br>\$   |
|--|------|--------------|----------------------|--------------|
| <b>Revenues from Ordinary Activities</b> |      |              |                      |              |
|  | 2    |              |                      |              |
| General Purpose Funding                  |      | 25,585,270   | 24,445,679           | 22,833,515   |
| Governance                               |      | 3,665,464    | 53,341               | 340,246      |
| Law, Order and Public Safety             |      | 455,760      | 392,649              | 406,701      |
| Health                                   |      | 76,881       | 103,511              | 116,231      |
| Education and Welfare                    |      | 223,724      | 85,422               | 198,469      |
| Community Amenities                      |      | 9,388,880    | 6,271,494            | 4,597,428    |
| Recreation and Culture                   |      | 847,689      | 816,912              | 587,166      |
| Transport                                |      | 4,726,483    | 3,975,278            | 6,165,376    |
| Economic Services                        |      | 939,539      | 427,031              | 719,701      |
| Other Property and Services              |      | 104,575      | 110,853              | 104,195      |
|  |      | 46,014,265   | 36,682,170           | 36,069,028   |
| <b>Expenses from Ordinary Activities</b> |      |              |                      |              |
|  | 2    |              |                      |              |
| <b>Excluding Borrowing Costs</b>         |      |              |                      |              |
| General Purpose Funding                  |      | (569,790)    | (670,319)            | (567,189)    |
| Governance                               |      | (3,016,942)  | (1,092,383)          | (966,375)    |
| Law, Order and Public Safety             |      | (1,076,653)  | (1,354,593)          | (1,163,315)  |
| Health                                   |      | (711,646)    | (862,945)            | (702,041)    |
| Education and Welfare                    |      | (1,365,543)  | (1,624,332)          | (1,311,843)  |
| Community Amenities                      |      | (6,434,270)  | (6,410,906)          | (5,911,213)  |
| Recreation and Culture                   |      | (11,027,017) | (11,707,717)         | (10,562,309) |
| Transport                                |      | (9,875,102)  | (10,652,583)         | (8,567,052)  |
| Economic Services                        |      | (985,845)    | (1,189,204)          | (895,470)    |
| Other Property and Services              |      | (411,852)    | (107,245)            | (263,229)    |
|  |      | (35,474,660) | (35,672,227)         | (30,910,036) |
| <b>Borrowing Costs Expense</b>           |      |              |                      |              |
|  | 2    |              |                      |              |
| Governance                               |      | (59,056)     | (88,500)             | (67,525)     |
| Community Amenities                      |      | (6,228)      | (8,500)              | 0            |
| Recreation and Culture                   |      | (25,923)     | (31,000)             | (17,913)     |
| Transport                                |      | (193)        | (41,500)             | 0            |
| Economic Services                        |      | 0            | 0                    | (915)        |
|  |      | (91,400)     | (169,500)            | (86,353)     |
| <b>Net Result</b>                        |      | 10,448,205   | 840,443              | 5,072,639    |

*This statement is to be read in conjunction with the accompanying notes.*



City of Armadale – Income Statement by Nature or Type for the year ended 30 June 2007

|   | Note | 2007<br>\$   | 2007<br>Budget<br>\$ | 2006<br>\$   |
|---|------|--------------|----------------------|--------------|
| <b>Operating Revenues</b>                           |      |              |                      |              |
| Rates   | 22   | 21,506,464   | 21,331,058           | 19,327,336   |
| Grants and Subsidies                                | 28   | 3,166,992    | 2,329,100            | 2,455,390    |
| Contributions, Reimbursements and Donations         |      | 5,278,983    | 2,857,017            | 3,121,102    |
| Service Charges                                     | 24   | 0            | 0                    | 0            |
| Fees and Charges                                    | 27   | 8,383,626    | 6,510,246            | 6,088,991    |
| Interest Earnings                                   | 2    | 1,703,819    | 798,021              | 1,130,515    |
| Other Revenue                                       |      | 3,351,588    | 0                    | 274,471      |
|   |      | 43,391,472   | 33,825,442           | 32,397,805   |
| <b>Operating Expenses</b>                           |      |              |                      |              |
| Employee Costs                                      |      | (14,198,680) | (13,117,205)         | (14,924,318) |
| Materials and Contracts                             |      | (10,755,238) | (12,232,667)         | (6,861,842)  |
| Utilities   |      | (1,111,553)  | (1,260,397)          | (1,082,135)  |
| Depreciation  | 2    | (8,521,548)  | (8,245,911)          | (8,192,576)  |
| Interest Expense                                    | 2    | (91,400)     | (169,500)            | (86,353)     |
| Insurance   |      | (497,726)    | (555,347)            | (410,679)    |
| Other Expense                                       |      | (345,181)    | (260,700)            | 577,500      |
|   |      | (35,521,326) | (35,841,727)         | (30,980,403) |
| <b>Sub-Total</b>                                    |      | 7,870,146    | (2,016,285)          | 1,417,402    |
| <b>Grants / Contributions for Asset Development</b> |      |              |                      |              |
| Grants and Subsidies - Non-Operating                | 28   | 2,524,565    | 2,727,929            | 3,228,848    |
|   |      | 2,524,565    | 2,727,929            | 3,228,848    |
| <b>Profit / (Loss) on Disposal of Assets</b>        |      |              |                      |              |
| Profit on Asset Disposals                           | 19   | 98,228       | 132,090              | 442,375      |
| Loss on Asset Disposals                             | 19   | (44,734)     | (3,291)              | (15,986)     |
|   |      | 53,494       | 128,799              | 426,389      |
| <b>Net Result</b>                                   |      | 10,448,205   | 840,443              | 5,072,639    |

This statement is to be read in conjunction with the accompanying notes.

City of Armadale – Balance Sheet as at 30 June 2007

|                                      | Note | 2007<br>\$         | 2006<br>\$         |
|--------------------------------------|------|--------------------|--------------------|
| <b>Current Assets</b>                |      |                    |                    |
| Cash and Cash Equivalents            | 3    | 26,802,842         | 16,411,330         |
| Trade and Other Receivables          | 4    | 2,257,972          | 2,961,591          |
| Inventories                          | 5    | 97,358             | 91,183             |
| <b>Total Current Assets</b>          |      | <b>29,158,172</b>  | <b>19,464,104</b>  |
| <b>Non-Current Assets</b>            |      |                    |                    |
| Other Receivables                    | 4    | 696,053            | 688,654            |
| Property, Plant and Equipment        | 6    | 26,473,592         | 25,305,404         |
| Infrastructure                       | 7    | 175,012,077        | 172,495,615        |
| <b>Total Non-Current Assets</b>      |      | <b>202,181,722</b> | <b>198,489,673</b> |
| <b>Total Assets</b>                  |      | <b>231,339,894</b> | <b>217,953,777</b> |
| <b>Current Liabilities</b>           |      |                    |                    |
| Trade and Other Payables             | 8    | 7,487,193          | 5,790,850          |
| Borrowings Current                   | 9    | 672,202            | 234,072            |
| Provisions                           | 10   | 2,458,830          | 2,274,574          |
| <b>Total Current Liabilities</b>     |      | <b>10,618,225</b>  | <b>8,299,496</b>   |
| <b>Non-Current Liabilities</b>       |      |                    |                    |
| Trade and Other Payables             | 8    | 105,404            | 77,527             |
| Borrowings - Non-Current             | 9    | 1,738,227          | 1,381,029          |
| Provisions                           | 10   | 763,467            | 529,359            |
| <b>Total Non-Current Liabilities</b> |      | <b>2,607,098</b>   | <b>1,987,915</b>   |
| <b>Total Liabilities</b>             |      | <b>13,225,323</b>  | <b>10,287,411</b>  |
| <b>Net Assets</b>                    |      | <b>218,114,571</b> | <b>207,666,366</b> |
| <b>Equity</b>                        |      |                    |                    |
| Retained Surplus                     |      | 203,903,544        | 194,488,434        |
| Reserves - Cash Backed               | 11   | 5,759,279          | 4,726,184          |
| Reserves - Asset Revaluation         | 12   | 8,451,748          | 8,451,748          |
| <b>Total Equity</b>                  |      | <b>218,114,571</b> | <b>207,666,366</b> |

This statement is to be read in conjunction with the accompanying notes.



City of Armadale – Statement of Changes in Equity for the year ended 30 June 2007

|                                       | Note | 2007<br>\$         | 2006<br>\$         |
|---------------------------------------|------|--------------------|--------------------|
| <b>Retained Surplus</b>               |      |                    |                    |
| Balance as at 1 July 2006             |      | 194,488,434        | 190,099,036        |
| Net Result                            |      | 10,448,205         | 5,072,639          |
| Transfer from / (to) Reserves         |      | (1,033,095)        | (683,241)          |
| <b>Balance as at 30 June 2007</b>     |      | <b>203,903,544</b> | <b>194,488,434</b> |
| <b>Reserves - Cash Backed</b>         |      |                    |                    |
| Balance as at 1 July 2006             |      | 4,726,184          | 4,042,943          |
| Transfer (to) / from Retained Surplus |      | 1,033,095          | 683,241            |
| <b>Balance as at 30 June 2007</b>     | 11   | <b>5,759,279</b>   | <b>4,726,184</b>   |
| <b>Reserves - Asset Revaluation</b>   |      |                    |                    |
| Balance as at 1 July 2006             |      | 8,451,748          | 8,451,748          |
| Revaluation Increment                 |      | 0                  | 0                  |
| Revaluation Decrement                 |      | 0                  | 0                  |
| <b>Balance as at 30 June 2007</b>     | 12   | <b>8,451,748</b>   | <b>8,451,748</b>   |
| <b>Total Equity</b>                   |      | <b>218,114,571</b> | <b>207,666,366</b> |

*This statement is to be read in conjunction with the accompanying notes.*

City of Armadale – Cash Flow Statement for the year ended 30 June 2007

|  | Note | 2007<br>\$   | 2007<br>Budget<br>\$ | 2006<br>\$   |
|--|------|--------------|----------------------|--------------|
| <b>Cash Flows from Operating Activities</b>      |      |              |                      |              |
| <b>Receipts</b>                                  |      |              |                      |              |
| Rates  |      | 21,458,853   | 21,742,884           | 18,927,554   |
| Grants and Subsidies - Operating                 |      | 3,166,992    | 2,329,100            | 2,455,390    |
| Contributions, Reimbursements and Donations      |      | 5,278,983    | 2,857,017            | 3,121,102    |
| Service Charges                                  |      | 0            | 0                    | 0            |
| Fees and Charges                                 |      | 9,582,100    | 6,510,246            | 5,979,582    |
| Interest Earnings                                |      | 1,703,819    | 798,021              | 1,130,515    |
| Goods and Services Tax (on revenue)              |      | 683,231      | 500,000              | 830,026      |
| Goods and Services Tax (refunded)                |      | 1,872,479    | 600,000              | 1,555,852    |
| Other  |      | 2,896,946    | 0                    | 274,471      |
|  |      | 46,643,403   | 35,337,268           | 34,274,492   |
| <b>Payments</b>                                  |      |              |                      |              |
| Employee Costs                                   |      | (13,721,185) | (13,171,036)         | (14,920,256) |
| Materials and Contracts                          |      | (8,864,345)  | (12,836,342)         | (4,975,139)  |
| Utilities  |      | (1,111,553)  | (1,260,397)          | (1,082,135)  |
| Insurance  |      | (497,726)    | (555,347)            | (410,680)    |
| Interest   |      | (91,400)     | (169,500)            | (86,353)     |
| Goods and Services Tax                           |      | (2,555,710)  | (1,100,000)          | (2,385,878)  |
| Other  |      | (577,160)    | (260,700)            | 625,789      |
|  |      | (27,419,079) | (29,353,322)         | (23,234,652) |
| <b>Net Cash Provided by Operating Activities</b> | 13   | 19,224,324   | 5,983,946            | 11,039,840   |



City of Armadale – Cash Flow Statement for the year ended 30 June 2007 *cont...*

|  | Note | 2007<br>\$  | 2007<br>Budget<br>\$ | 2006<br>\$   |
|--|------|-------------|----------------------|--------------|
| <b>Cash Flows from Investing Activities</b>      |      |             |                      |              |
| Payment for Development of Land                  |      | 0           | 0                    | 0            |
| Payment for Property, Plant and Equipment        |      | (3,456,298) | (4,168,021)          | (2,085,068)  |
| Payment for Infrastructure                       |      | (9,219,489) | (12,523,299)         | (11,030,883) |
| Advances to Community Groups                     |      | 0           | 0                    | 0            |
| Grants and Subsidies - Non-Operating             |      | 2,524,565   | 2,727,929            | 3,228,848    |
| Proceeds from Sale of Assets                     |      | 523,082     | 1,372,276            | 852,296      |
| Proceeds from Advances                           |      | 0           | 0                    | 0            |
| <b>Net Cash Provided by Investing Activities</b> |      | (9,628,140) | (12,591,115)         | (9,034,807)  |
| <b>Cash Flows from Financing Activities</b>      |      |             |                      |              |
| Repayment of Debentures                          |      | (234,072)   | (317,000)            | (333,737)    |
| Repayment of Finance Leases                      |      | 0           | 0                    | 0            |
| Proceeds from Self Supporting Loans              |      | 0           | 0                    | 0            |
| Proceeds from New Debentures                     |      | 1,029,400   | 1,237,800            | 320,000      |
| <b>Net Cash Provided by Financing Activities</b> |      | 795,328     | 920,800              | (13,737)     |
| <b>Net Increase / (Decrease) in Cash Held</b>    |      | 10,391,512  | (5,686,369)          | 1,991,296    |
| <b>Cash at Beginning of Year</b>                 |      | 16,411,330  | 19,313,671           | 14,420,034   |
| <b>Cash and Cash Equivalents at End of Year</b>  | 13   | 26,802,842  | 13,627,302           | 16,411,330   |

*This statement is to be read in conjunction with the accompanying notes*

City of Armadale – Rate Setting Statement for the year ended 30 June 2007

|                              | Note | 2007<br>Budget<br>\$ | 2007<br>\$   |
|------------------------------|------|----------------------|--------------|
| <b>Revenues</b>              |      |                      |              |
| General Purpose Funding      |      | 4,078,807            | 3,114,621    |
| Governance                   |      | 3,665,464            | 55,242       |
| Law, Order and Public Safety |      | 455,760              | 393,018      |
| Health                       |      | 76,881               | 103,511      |
| Education and Welfare        |      | 223,724              | 86,012       |
| Community Amenities          |      | 9,388,880            | 6,271,494    |
| Recreation and Culture       |      | 847,689              | 816,912      |
| Transport                    |      | 4,726,483            | 3,975,709    |
| Economic Services            |      | 939,539              | 427,031      |
| Other Property and Services  |      | 104,574              | 110,853      |
|                              |      | 24,507,801           | 15,354,403   |
| <b>Expenses</b>              |      |                      |              |
| General Purpose Funding      |      | (569,790)            | (670,319)    |
| Governance                   |      | (3,075,999)          | (1,182,784)  |
| Law, Order and Public Safety |      | (1,076,653)          | (1,354,962)  |
| Health                       |      | (711,646)            | (862,945)    |
| Education and Welfare        |      | (1,365,542)          | (1,624,922)  |
| Community Amenities          |      | (6,440,498)          | (6,419,406)  |
| Recreation and Culture       |      | (11,052,940)         | (11,738,717) |
| Transport                    |      | (9,875,295)          | (10,694,514) |
| Economic Services            |      | (985,845)            | (1,189,204)  |
| Other Property and Services  |      | (411,852)            | (107,245)    |
|                              |      | (35,566,060)         | (35,845,018) |

City of Armadale – Rate Setting Statement for the year ended 30 June 2007 *cont...*

|   | Note | 2007<br>Budget<br>\$ | 2007<br>\$   |
|---|------|----------------------|--------------|
| <b>Adjustments for Cash Budget Requirements</b> |      |                      |              |
| <b>Non-Cash Expense and Revenue</b>             |      |                      |              |
| (Profit) / Loss on Asset Disposals              | 19   | (53,494)             | (128,799)    |
| Depreciation on Assets                          | 2    | 8,521,548            | 8,245,911    |
|   |      | 8,468,054            | 8,117,112    |
| <b>Capital Expense and Revenue</b>              |      |                      |              |
| Purchase Land and Buildings                     | 6    | (1,369,544)          | (1,643,307)  |
| Purchase Furniture and Equipment                | 6    | (141,612)            | (191,986)    |
| Purchase Plant and Machinery                    | 6    | (1,945,141)          | (2,332,728)  |
| Purchase Infrastructure - Roads                 | 7    | (7,568,907)          | (10,730,073) |
| Purchase Infrastructure - Drainage              | 7    | (443,841)            | (425,000)    |
| Purchase Infrastructure - Pathways              | 7    | (645,403)            | (584,300)    |
| Purchase Infrastructure - Parks / Reserves      | 7    | (561,338)            | (783,926)    |
| Proceeds from Disposal of Assets                | 19   | 523,082              | 1,372,276    |
| Repayment of Debentures                         | 21   | (234,072)            | (317,000)    |
| Proceeds from New Debentures                    | 21   | 1,029,400            | 1,237,800    |
| Transfer to Reserves                            | 11   | (2,281,665)          | (1,909,820)  |
| Transfer from Reserves                          | 11   | 1,248,570            | 1,449,290    |
|   |      | (12,390,471)         | (14,858,774) |
| <b>Add</b> Surplus / (Deficit) 1 July           |      | 6,835,021            | 5,642,938    |
| <b>Less</b> Surplus / (Deficit) 30 June         |      | 13,360,809           | (258,281)    |
| <b>Amount Required from Rates</b>               | 22   | (21,506,464)         | (21,331,058) |

*This statement is to be read in conjunction with the accompanying notes.*



## 1. Significant Accounting Policies

The significant accounting policies that have been adopted in the preparation of the Financial Report are:

### a. Basis of Preparation

The Financial Report is a general purpose Financial Report that has been prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 and accompanying regulations. The Report has also been prepared on the accrual basis under the convention of historical cost accounting.

#### Compliance with IFRSs

International Financial Reporting Standards (IFRSs) form the basis of Australian Accounting Standards adopted by the AASB, being AIFRSs. The Financial Report of Council complies with IFRSs and interpretations adopted by International Accounting Standards Board, except as follows:

1. AIFRSs include specific provisions relating to not-for-profit entities. These are not included in IFRSs.
2. Australian Accounting Standard (AAS) 27 - Financial Reporting by Local Governments - also applies and there is no equivalent standard in IFRSs.

The principal areas of non-compliance with IFRSs include:

1. The recognition of non-reciprocal revenue.
2. The definition of value in use for the purposes of estimating the recoverable amount of impaired assets.
3. The offsetting of asset revaluation increments and decrements on a class of asset basis rather than individual asset basis.

Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet effective, have not been adopted by Council for the annual reporting period ending 30 June 2007.

Council is of the view the new standards or amendments will have no direct impact on the amounts included in the Financial Report although the changes may impact upon the way in which some financial information is disclosed.

### Critical Accounting Estimates

The preparation of a Financial Report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances - the results of which form the basis of making judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

### b. The Local Government Reporting Entity

All funds through which Council controls resources to carry on its functions have been included in the financial statements forming part of this Financial Report. In the process of reporting on the Local Government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated. All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 17 to these financial statements.

### c. Cash and Cash Equivalents

Cash and Cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, Cash and Cash equivalents consist of Cash and Cash Equivalents, as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short term borrowings in current liabilities on the Balance Sheet.

### d. Superannuation

Council contributes to defined contribution schemes.

### e. Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Balance Sheet are stated inclusive of applicable GST.

### f. Trade and Other Receivables

Trade Receivables, which generally have 30 - 90 day terms, are recognised at cost in the Balance Sheet. Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

### g. Inventories

#### General

Inventories are valued at the lower of cost and net realisable value.

#### Land Held for Resale

Land purchased for development and / or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses. Revenue arising from the sale of property is recognised in the Operating Statement as at the time of signing a binding contract of sale.

#### h. Fixed Assets

##### Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

##### Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

##### Land Under Roads

Land Under Roads is excluded from infrastructure in accordance with the transition arrangements under AASB 1045 and in accordance with legislative requirements.

#### i. Investments and Other Financial Assets

Financial Assets, in the scope of AASB 139 (Financial Instruments - Recognition and Measurement), are classified as either Financial Assets at fair value, through profit or fair value, plus, in the case of either investments not at fair value, through profit or loss, directly attributable transaction costs. Council determines the classification of its Financial Assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

#### j. Trade and Other Payables

Trade Payables and Other Payables are carried at amortised cost. They represent liabilities for goods and services provided to Council prior to the end of the financial year that are unpaid and arise when Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### k. Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner that reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates that are reviewed each reporting period. Major depreciation periods are:

|  |                 |
|--|-----------------|
| Buildings                              | 50 years        |
| Furniture and Equipment                | 5 to 15 years   |
| Plant and Machinery                    | 3 to 20 years   |
| Sealed Roads and Streets               |                 |
| Clearing and Earthworks                | Not depreciated |
| Construction and Roadbase              | 50 years        |
| Original Surface and Major Resurfacing | 50 years        |
| Gravel Roads                           |                 |
| Clearing and Earthworks                | Not depreciated |
| Construction and Roadbase              | 50 years        |
| Gravel Sheet                           | 12 years        |
| Drainage                               | 50 years        |
| Pathways                               | 20 years        |
| Parks and Reserves                     | 20 years        |

#### l. Impairment

In accordance with Australian Accounting Standards, Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 (Impairment of Assets) and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

**m. Employee Benefits**

**Wages, Salaries and Annual Leave and Long Service Leave (Short-Term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave, expected to be settled within 12 months represents the amount that Council has a present obligation to pay resulting from employees' services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates Council expects to pay and includes related on-costs.

**Wages, Salaries and Annual Leave (Short-Term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave, expected to be settled within 12 months represents the amount that Council has a present obligation to pay resulting from employees' services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates Council expects to pay and includes related on-costs.

**n. Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**o. Interest-Bearing Loans and Borrowings**

All Loans and Borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, Interest-Bearing Loans and Borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the Balance Sheet date.

**p. Joint Ventures**

Council's interest in any Joint Ventures has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the Joint Venture within the relevant items reported in the Balance Sheet and Income Statement. Information about any Joint Ventures is set out in Note 16.

**q. Rates, Grants, Donations and Other Contributions**

Rates, Grants, Donations and Other Contributions are recognised as revenues when Council obtains control over the assets comprising the contributions. Control over assets acquired from Rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the Rates.

Where Contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in Note 2. That note also discloses the amount of Contributions recognised as revenues in a previous reporting period that were obtained in respect of Council's operations for the current reporting period.

**r. Interest Rate Risk**

Information on Interest Rate Risk, as it applies to financial instruments, is disclosed in Note 21.

**s. Credit Risk**

The maximum exposure to Credit Risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Balance Sheet and Notes to, and forming part of, the Financial Report.

**t. Liquidity Risk**

Council's Liquidity Risk is managed via the use of its Cash and Cash Equivalent balances, other financial assets and borrowing policy.

**u. Fair Value**

All assets and liabilities recognised in the Balance Sheet, whether they are carried at cost or at Fair Value, are recognised at amounts that represent a reasonable approximation of Fair Value unless otherwise stated. The aggregate Fair Value and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the Notes to, and forming part of, the Financial Report.

**v. Rounding Off Figures**

All figures shown in this Annual Financial Report, other than a rate in the dollar, are rounded to the nearest dollar.

**w. Comparative Figures**

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.



City of Armadale – Notes to, and forming part of, the Financial Report for the year ended 30 June 2007 *cont...*

|   | Note | 2007<br>\$ | 2007<br>Budget<br>\$ | 2006<br>\$ |
|---|------|------------|----------------------|------------|
| <b>2. Revenues and Expenses</b>               |      |            |                      |            |
| <b>a. Result from Ordinary Activities</b>     |      |            |                      |            |
| The result from ordinary activities includes: |      |            |                      |            |
| <b>i. Charging as an Expense</b>              |      |            |                      |            |
| <b>Significant Expense</b>                    |      | Nil        | Nil                  | Nil        |
| <b>Amortisation</b>                           |      | Nil        | Nil                  | Nil        |
| <b>Auditor's Remuneration</b>                 |      |            |                      |            |
| Audit   |      | 12,000     | 12,000               | 12,000     |
| Other Services                                |      | 2,400      | 3,000                | 1,670      |
| <b>Bad and Doubtful Debts</b>                 |      |            |                      |            |
| Rates Written Off                             |      | 31,915     | 31,900               | 31,124     |
| Infringements Written Off                     |      | 13,359     | 11,800               | 0          |
| Sundry Debtors Written Off                    |      | 62,084     | 110,500              | 17,574     |
| <b>Depreciation</b>                           |      |            |                      |            |
| Land and Buildings                            |      | 537,456    | 485,100              | 532,782    |
| Plant and Machinery                           |      | 1,273,532  | 1,042,000            | 1,193,548  |
| Furniture and Equipment                       |      | 7,532      | 128,300              | 29,132     |
| Roads   |      | 2,522,417  | 2,357,811            | 2,344,332  |
| Drainage                                      |      | 538,757    | 544,200              | 527,046    |
| Pathways                                      |      | 314,904    | 280,900              | 283,949    |
| Reserves                                      |      | 3,326,950  | 3,407,600            | 3,281,787  |
|   |      | 8,521,548  | 8,245,911            | 8,192,576  |
| <b>Interest Expenses</b>                      |      |            |                      |            |
| Finance Lease Charges                         |      | 0          | 0                    | 0          |
| Debentures                                    | 21   | 91,400     | 169,500              | 86,353     |
|   |      | 91,400     | 169,500              | 86,353     |
| <b>ii. Crediting as a Revenue</b>             |      |            |                      |            |
| <b>Interest Earnings</b>                      |      |            |                      |            |
| Investments - Reserve Funds                   |      | 284,242    | 195,900              | 763,489    |
| Investments - Other Funds                     |      | 1,255,823  | 421,121              | 209,530    |
| Other Interest Revenue                        | 26   | 163,754    | 181,000              | 157,496    |
| Other Interest Revenue - Loans                |      | 0          | 0                    | 0          |
|   |      | 1,703,819  | 798,021              | 1,130,515  |

## 2. Revenues and Expenses (continued)

### b. Statement of Objective

In order to discharge its responsibility to the community, Council has developed a set of operational and financial objectives. The objectives have been established both on an overall basis, reflected by Council's Commitment and Vision Statements, and for each of its broad activities / programs.

#### **Our Commitment**

To create a caring and vibrant City, rich in history, heritage and lifestyle.

#### **Our Vision**

- A major regional centre
- A place with the advantages of City living and the natural beauty of the bushland setting
- A city strong in opportunity - in comparison to any other city in Australia
- A great place to raise small children
- Clean, green and prosperous

Council operations, as disclosed in this Report, encompass the following service oriented activities / programs:

#### **General Purpose Funding**

This program includes rates, statutory grants from the Western Australian Local Government Grants Commission and interest on investments from Municipal and Reserve Funds.

#### **Governance**

This program includes the administration and operation of facilities and services to the elected members of Council. It also includes civic receptions, citizenship ceremonies, research, development and preparation of policy documents, strategic planning, annual budgets, annual financial reports, audit fees and the Annual Report.

#### **Law, Order and Public Safety**

This program includes the administration and operation of volunteer fire services and the State Emergency Services, together with animal control and community safety.

#### **Health**

This program includes services such as immunisation, health inspections, pest control, noise control and health clinics.

#### **Education and Welfare**

This program includes pre-schools, senior citizen centres, disability services and other community development activities such as seniors, youth and indigenous services.

#### **Community Amenities**

This program includes town planning and regional development services, protection of the environment, refuse collection and disposal, provision of public toilets, bus shelters and street furniture.

#### **Recreation and Culture**

This is the provision of public buildings, libraries, aquatic centres, community events, cultural activities, museums, indoor and outdoor sporting complexes, parks and gardens, and playgrounds.

#### **Transport**

This program includes the maintenance and construction of roads, drains, pathways, crossovers and traffic calming devices, plus street lighting and cleaning, road signs and parking areas.

#### **Economic Services**

This program covers building control, private swimming pool inspections, tourism and economic development.

#### **Other Property and Services**

This program includes public works overheads and the purchase and maintenance of engineering plant and equipment.

|   | Note | 2007<br>\$    | 2006<br>\$    |
|---|------|---------------|---------------|
| <b>2. Revenues and Expenses (continued)</b>   |      |               |               |
| <b>c. Conditions Over Contributions</b>   |      |               |               |
| <b>Grants recognised as revenues in a previous reporting period that were not expended at the close of that period (in the manner required as per the terms of the contribution)</b>  |      |               |               |
| <b>Law, Order and Public Safety</b>   |      |               |               |
| Emergency Services  |      | 17,398        | 7,197         |
| <b>Transport</b>  |      |               |               |
| Grants Commission Road Fund   |      | 0             | 66,000        |
| Local Government Road Fund  |      | 0             | 1,000,000     |
| State Blackspot   |      | 0             | 37,000        |
|   |      | 17,398        | 1,110,197     |
| <b>New grants recognised as revenues during the reporting period that had not yet been fully expended at period end (in the manner required as per the terms of the contribution)</b> |      |               |               |
| <b>Law, Order and Public Safety</b>   |      |               |               |
| Emergency Services  |      | 0             | 17,398        |
| <b>Education and Welfare</b>  |      |               |               |
| Indigenous Assistance   |      | 10,000        | 0             |
|   |      | 10,000        | 17,398        |
| <b>Grants recognised as revenues in a previous reporting period that were expended in the current reporting period (in the manner required as per the terms of the contribution)</b>  |      |               |               |
| <b>Law, Order and Public Safety</b>   |      |               |               |
| Emergency Services  |      | 17,398        | 7,197         |
| <b>Transport</b>  |      |               |               |
| Grants Commission Road Fund   |      | 0             | 66,000        |
| Local Government Road Fund  |      | 0             | 1,000,000     |
| State Blackspot   |      | 0             | 37,000        |
|   |      | 17,398        | 1,110,197     |
| <b>Closing Balance of Unspent Grants</b>  |      | <b>10,000</b> | <b>17,398</b> |



City of Armadale – Notes to, and forming part of, the Financial Report for the year ended 30 June 2007 *cont...*

|   | Note | 2007<br>\$ | 2006<br>\$ |
|---|------|------------|------------|
| <b>3. Cash and Cash Equivalents</b>   |      |            |            |
| <b>Unrestricted</b>   |      | 14,918,236 | 6,605,423  |
| <b>Restricted</b>   |      | 11,884,606 | 9,805,907  |
|   |      | 26,802,842 | 16,411,330 |
| The following restrictions have been imposed by regulations or other externally imposed requirements: |      |            |            |
| <b>Reserves</b>   |      |            |            |
| Waste Management Reserve  |      | 2,826,796  | 2,455,135  |
| Plant and Machinery Reserve   |      | 1,410,437  | 1,134,475  |
| Land Acquisition Reserve  |      | 233,051    | 233,051    |
| Portable Long Service Leave Reserve   |      | 77,526     | 77,526     |
| Workers' Compensation Reserve   |      | 216,841    | 99,841     |
| Revolving Energy Reserve  |      | 0          | 0          |
| Building Plant and Equipment Reserve  |      | 63,697     | 89,807     |
| Telephone System Upgrade Reserve  |      | 0          | 8,000      |
| Mobile Garbage Bin Program Reserve  |      | 702,850    | 492,850    |
| Future Recreation Facilities Reserve  |      | 105,081    | 75,500     |
| Emergency Waste Reserve   |      | 123,000    | 60,000     |
| Resource Recovery Centre Reserve  |      | 0          | 0          |
|   |      | 5,759,279  | 4,726,185  |
| <b>Restricted Funds</b>   |      |            |            |
| Employee Provisions   |      | 2,641,790  | 2,042,832  |
| Deposits and Bonds  |      | 2,962,612  | 1,758,150  |
| Unspent Grants  |      | 10,000     | 17,398     |
| Public Open Space Funds   |      | 0          | 792,570    |
| North Forrestdale Contributions   |      | 0          | 146,611    |
| Works Contributions   |      | 0          | 322,161    |
| Minnawarra House Relocation Funds   |      | 510,925    | 0          |
|   |      | 6,125,327  | 5,079,722  |
| <b>Total Restricted Cash and Cash Equivalents</b>   |      | 11,884,606 | 9,805,907  |

City of Armadale – Notes to, and forming part of, the Financial Report for the year ended 30 June 2007 *cont...*

|   | Note | 2007<br>\$ | 2006<br>\$ |
|---|------|------------|------------|
| <b>4. Trade and Other Receivables</b>       |      |            |            |
| <b>Current</b>                              |      |            |            |
| Rates Outstanding                           |      | 373,211    | 327,800    |
| Other Financial Assets                      |      | 882,710    | 428,067    |
| Emergency Service Levy Debtors              |      | 19,109     | 19,308     |
| Sundry Debtors                              |      | 1,105,320  | 2,308,794  |
| Provision for Doubtful Debts                |      | (122,378)  | (122,378)  |
|   |      | 2,257,972  | 2,961,591  |
| <b>Non-Current</b>                          |      |            |            |
| Rates Outstanding - Pensioners              |      | 546,774    | 544,574    |
| Emergency Service Levy                      |      | 19,782     | 16,451     |
| Long Service Leave Receivable from Councils |      | 129,497    | 127,629    |
|   |      | 696,053    | 688,654    |
| <b>5. Inventories</b>                       |      |            |            |
| <b>Current</b>                              |      |            |            |
| Fuel and Materials                          |      | 97,358     | 91,183     |
|   |      | 97,358     | 91,183     |

City of Armadale – Notes to, and forming part of, the Financial Report for the year ended 30 June 2007 *cont...*

|  | Note | 2007<br>\$        | 2006<br>\$        |
|--|------|-------------------|-------------------|
| <b>6. Property, Plant and Equipment</b>    |      |                   |                   |
| Land and Buildings - Cost                  |      | 22,061,652        | 20,692,108        |
| Less Accumulated Depreciation              |      | (1,070,239)       | (532,782)         |
|  |      | 20,991,413        | 20,159,326        |
| Furniture and Equipment - Cost             |      | 2,243,469         | 2,101,858         |
| Less Accumulated Depreciation              |      | (2,064,078)       | (2,056,546)       |
|  |      | 179,391           | 45,312            |
| Plant and Machinery - Cost                 |      | 11,682,616        | 11,209,302        |
| Less Accumulated Depreciation              |      | (6,379,828)       | (6,108,536)       |
|  |      | 5,302,788         | 5,100,766         |
| <b>Total Property, Plant and Equipment</b> |      | <b>26,473,592</b> | <b>25,305,404</b> |

**Movements in Carrying Amounts**

Movement in the Carrying amounts of each class of property, plant and equipment during the reporting period is as below:

|                        | Land and<br>Buildings | Furniture and<br>Equipment | Plant and<br>Machinery | Total             |
|------------------------|-----------------------|----------------------------|------------------------|-------------------|
| Beginning Balance      | 20,159,326            | 45,312                     | 5,100,766              | 25,305,404        |
| Additions              | 1,369,544             | 141,612                    | 1,945,141              | 3,456,297         |
| Disposals              | 0                     | 0                          | (469,588)              | (469,588)         |
| Revaluation Movements  | 0                     | 0                          | 0                      | 0                 |
| Impairment Adjustments | 0                     | 0                          | 0                      | 0                 |
| Depreciation Expense   | (537,457)             | (7,532)                    | (1,273,532)            | (1,818,521)       |
| <b>Carrying Amount</b> | <b>20,991,413</b>     | <b>179,392</b>             | <b>5,302,787</b>       | <b>26,473,592</b> |

Effective from 1 July 2005, Council deemed the carrying amount of property, plant and equipment, previously carried at a revalued amount based on market value, to be their cost.

This was in accordance with the exemptions on application of Accounting Standard AASB 1 (First-time Adoption of Australian Equivalents to International Financial Reporting Standards). These asset classes are now being carried at cost and, whilst not subject to a policy of regular scheduled revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 (Impairment of Assets).



City of Armadale – Notes to, and forming part of, the Financial Report for the year ended 30 June 2007 *cont...*

|                               | Note | 2007<br>\$   | 2006<br>\$   |
|-------------------------------|------|--------------|--------------|
| <b>7. Infrastructure</b>      |      |              |              |
| Roads - Cost                  |      | 133,833,916  | 126,265,009  |
| Less Accumulated Depreciation |      | (20,587,714) | (18,065,297) |
|                               |      | 113,246,202  | 108,199,712  |
| Drainage - Cost               |      | 27,382,952   | 26,939,111   |
| Less Accumulated Depreciation |      | (5,073,513)  | (4,534,756)  |
|                               |      | 22,309,439   | 22,404,355   |
| Pathways - Cost               |      | 6,944,210    | 6,298,807    |
| Less Accumulated Depreciation |      | (2,226,303)  | (1,911,398)  |
|                               |      | 4,717,907    | 4,387,409    |
| Parks and Reserves - Cost     |      | 67,127,352   | 66,566,014   |
| Less Accumulated Depreciation |      | (32,388,823) | (29,061,875) |
|                               |      | 34,738,529   | 37,504,139   |
| <b>Total Infrastructure</b>   |      | 175,012,077  | 172,495,615  |

**Movements in Carrying Amounts**

Movement in the Carrying amounts of each class of infrastructure during the reporting period is as below:

|                        | Roads       | Drainage   | Pathways  | Parks and Reserves | Total       |
|------------------------|-------------|------------|-----------|--------------------|-------------|
| Beginning Balance      | 108,199,712 | 22,404,355 | 4,387,409 | 37,504,139         | 172,495,615 |
| Additions              | 7,568,907   | 443,841    | 645,403   | 561,338            | 9,219,489   |
| Disposals              | 0           | 0          | 0         | 0                  | 0           |
| Revaluation Movements  | 0           | 0          | 0         | 0                  | 0           |
| Impairment Adjustments | 0           | 0          | 0         | 0                  | 0           |
| Depreciation Expense   | (2,522,417) | (538,757)  | (314,904) | (3,326,949)        | (6,703,027) |
| <b>Carrying Amount</b> | 113,246,202 | 22,309,439 | 4,717,908 | 34,738,528         | 175,012,077 |

City of Armadale – Notes to, and forming part of, the Financial Report for the year ended 30 June 2007 *cont...*

|   | Note | 2007<br>\$ | 2006<br>\$ |
|---|------|------------|------------|
| <b>8. Trade and Other Payables</b>                        |      |            |            |
| <b>Current</b>  |      |            |            |
| Sundry Creditors  |      | 2,435,609  | 2,371,623  |
| Payroll Deductions  |      | 81,474     | 71,583     |
| Accrued Expenses  |      | 501,716    | 386,414    |
| Revenue Liability   |      | 895,072    | 1,127,051  |
| Sundry Deposits and Bonds                                 |      | 3,473,537  | 1,758,150  |
| Emergency Services Levy Liability                         |      | 0          | 35,375     |
| Payroll Entitlements                                      |      | 99,785     | 40,654     |
|   |      | 7,487,193  | 5,790,850  |
| <b>Non-Current</b>  |      |            |            |
| Sundry Creditors  |      | 105,404    | 77,527     |
|   |      | 105,404    | 77,527     |
| <b>9. Borrowings</b>                                      |      |            |            |
| <b>Current</b>  |      |            |            |
| Secured by Floating Charge                                |      |            |            |
| Debentures  |      | 672,202    | 234,072    |
|   |      | 672,202    | 234,072    |
| <b>Non-Current</b>  |      |            |            |
| Secured by Floating Charge                                |      |            |            |
| Debentures  |      | 1,738,227  | 1,381,029  |
|   |      | 1,738,227  | 1,381,029  |
| Additional details on Borrowings are provided in Note 21. |      |            |            |
| <b>10. Provisions</b>                                     |      |            |            |
| <b>Current</b>  |      |            |            |
| Provision for Annual Leave                                |      | 1,215,828  | 1,161,894  |
| Provision for Sick Leave                                  |      | 100,000    | 100,000    |
| Provision for Long Service Leave                          |      | 1,143,002  | 1,012,680  |
|   |      | 2,458,830  | 2,274,574  |
| <b>Non-Current</b>  |      |            |            |
| Provision for Annual Leave                                |      | 508,413    | 339,137    |
| Provision for Long Service Leave                          |      | 255,054    | 190,222    |
|   |      | 763,467    | 529,359    |

City of Armadale – Notes to, and forming part of, the Financial Report for the year ended 30 June 2007 *cont...*

|  | Note | 2007<br>\$       | 2007<br>Budget<br>\$ | 2006<br>\$       |
|--|------|------------------|----------------------|------------------|
| <b>11. Reserves - Cash Backed</b>  |      |                  |                      |                  |
| All of the following Cash Backed Reserve Accounts are supported by money held in financial institutions and match the amounts shown as Restricted Cash in Note 3 to this Financial Report. In accordance with Council resolutions in relation to each Reserve Account, the purpose for which the funds are set aside, and their respective balances, are as follows: |      |                  |                      |                  |
| <b>Waste Management Reserve</b>  |      |                  |                      |                  |
| To be used to assist in the management and future provisioning of Council's Waste Management Sites.  |      |                  |                      |                  |
| Opening Balance  |      | 2,455,134        | 2,455,134            | 2,081,634        |
| Amount Set Aside / Transfer to Reserve   |      | 371,662          | 498,910              | 451,000          |
| Amount Used / Transfer from Reserve  |      | 0                | (28,884)             | (77,500)         |
| <b>Closing Balance</b>   |      | <b>2,826,796</b> | <b>2,925,160</b>     | <b>2,455,134</b> |
| <b>Plant and Machinery Reserve</b>   |      |                  |                      |                  |
| To be used to assist in the purchase and replacement of plant and machinery.   |      |                  |                      |                  |
| Opening Balance  |      | 1,134,475        | 1,134,475            | 1,130,475        |
| Amount Set Aside / Transfer to Reserve   |      | 1,443,532        | 1,042,000            | 977,000          |
| Amount Used / Transfer from Reserve  |      | (1,167,570)      | (1,328,379)          | (973,000)        |
| <b>Closing Balance</b>   |      | <b>1,410,437</b> | <b>848,096</b>       | <b>1,134,475</b> |
| <b>Land Acquisition Reserve</b>  |      |                  |                      |                  |
| To be used to assist in future acquisitions of land.   |      |                  |                      |                  |
| Opening Balance  |      | 233,051          | 233,051              | 233,051          |
| Amount Set Aside / Transfer to Reserve   |      | 0                | 0                    | 0                |
| Amount Used / Transfer from Reserve  |      | 0                | 0                    | 0                |
| <b>Closing Balance</b>   |      | <b>233,051</b>   | <b>233,051</b>       | <b>233,051</b>   |
| <b>Portable Long Service Leave Reserve</b>   |      |                  |                      |                  |
| To be used to assist in funding Council's portable Long Service Leave liability.   |      |                  |                      |                  |
| Opening Balance  |      | 77,526           | 60,085               | 60,085           |
| Amount Set Aside / Transfer to Reserve   |      | 0                | 0                    | 17,441           |
| Amount Used / Transfer from Reserve  |      | 0                | 0                    | 0                |
| <b>Closing Balance</b>   |      | <b>77,526</b>    | <b>60,085</b>        | <b>77,526</b>    |
| <b>Emergency Waste Reserve</b>   |      |                  |                      |                  |
| To be used to assist with the costs associated with tempest damage, clean-up collections and disposal.   |      |                  |                      |                  |
| Opening Balance  |      | 60,000           | 60,000               | 0                |
| Amount Set Aside / Transfer to Reserve   |      | 63,000           | 63,020               | 60,000           |
| Amount Used / Transfer from Reserve  |      | 0                | (84,027)             | 0                |
| <b>Closing Balance</b>   |      | <b>123,000</b>   | <b>38,993</b>        | <b>60,000</b>    |
| <b>Workers' Compensation Reserve</b>   |      |                  |                      |                  |
| To be used to assist in covering Council's Workers' Compensation liability.  |      |                  |                      |                  |
| Opening Balance  |      | 99,841           | 99,841               | 99,841           |
| Amount Set Aside / Transfer to Reserve   |      | 117,000          | 0                    | 0                |
| Amount Used / Transfer from Reserve  |      | 0                | 0                    | 0                |
| <b>Closing Balance</b>   |      | <b>216,841</b>   | <b>99,841</b>        | <b>99,841</b>    |



City of Armadale – Notes to, and forming part of, the Financial Report for the year ended 30 June 2007 *cont...*

|  | Note | 2007<br>\$       | 2007<br>Budget<br>\$ | 2006<br>\$       |
|--|------|------------------|----------------------|------------------|
| <b>11. Reserves - Cash Backed (continued)</b>  |      |                  |                      |                  |
| <b>Revolving Energy Reserve</b>  |      |                  |                      |                  |
| To be used to assist in establishing energy efficient management techniques.                                 |      |                  |                      |                  |
| Opening Balance  |      | 0                | 0                    | 0                |
| Amount Set Aside / Transfer to Reserve   |      | 0                | 0                    | 0                |
| Amount Used / Transfer from Reserve  |      | 0                | 0                    | 0                |
| <b>Closing Balance</b>   |      | <b>0</b>         | <b>0</b>             | <b>0</b>         |
| <b>Building Plant and Equipment Reserve</b>  |      |                  |                      |                  |
| To be used to assist in maintenance and replacement of equipment associated with Council buildings.          |      |                  |                      |                  |
| Opening Balance  |      | 89,807           | 89,807               | 89,807           |
| Amount Set Aside / Transfer to Reserve   |      | 46,890           | 46,890               | 0                |
| Amount Used / Transfer from Reserve  |      | (73,000)         | 0                    | 0                |
| <b>Closing Balance</b>   |      | <b>63,697</b>    | <b>136,697</b>       | <b>89,807</b>    |
| <b>Resource Recovery Centre Reserve</b>  |      |                  |                      |                  |
| To be used to assist with the running costs of the Resource Recovery Centre and waste minimisation projects. |      |                  |                      |                  |
| Opening Balance  |      | 0                | 0                    | 0                |
| Amount Set Aside / Transfer to Reserve   |      | 0                | 21,007               | 0                |
| Amount Used / Transfer from Reserve  |      | 0                | 0                    | 0                |
| <b>Closing Balance</b>   |      | <b>0</b>         | <b>21,007</b>        | <b>0</b>         |
| <b>Telephone System Upgrade Reserve</b>  |      |                  |                      |                  |
| To be used to assist in the upgrade and replacement of Council's Telephone System.                           |      |                  |                      |                  |
| Opening Balance  |      | 8,000            | 8,000                | 8,000            |
| Amount Set Aside / Transfer to Reserve   |      | 0                | 0                    | 0                |
| Amount Used / Transfer from Reserve  |      | (8,000)          | (8,000)              | 0                |
| <b>Closing Balance</b>   |      | <b>0</b>         | <b>0</b>             | <b>8,000</b>     |
| <b>Mobile Garbage Bin Program Reserve</b>  |      |                  |                      |                  |
| To be used to assist in the purchase and replacement of Council's Mobile Garbage Bins.                       |      |                  |                      |                  |
| Opening Balance  |      | 492,850          | 492,850              | 292,850          |
| Amount Set Aside / Transfer to Reserve   |      | 210,000          | 210,067              | 200,000          |
| Amount Used / Transfer from Reserve  |      | 0                | 0                    | 0                |
| <b>Closing Balance</b>   |      | <b>702,850</b>   | <b>702,917</b>       | <b>492,850</b>   |
| <b>Future Recreation Facilities Reserve</b>  |      |                  |                      |                  |
| To be used to assist in the construction of future recreation facilities.                                    |      |                  |                      |                  |
| Opening Balance  |      | 75,500           | 75,500               | 47,200           |
| Amount Set Aside / Transfer to Reserve   |      | 29,581           | 27,926               | 28,300           |
| Amount Used / Transfer from Reserve  |      | 0                | 0                    | 0                |
| <b>Closing Balance</b>   |      | <b>105,081</b>   | <b>103,426</b>       | <b>75,500</b>    |
| <b>Total Reserves - Cash Backed</b>  |      | <b>5,759,279</b> | <b>5,169,273</b>     | <b>4,726,184</b> |

|   | Note | 2007<br>\$        | 2006<br>\$        |
|---|------|-------------------|-------------------|
| <b>12. Reserves - Asset Revaluation</b>   |      | 8,451,748         | 8,451,748         |
| <b>13. Notes to the Cash Flow Statement</b>   |      |                   |                   |
| <b>a. Reconciliation of Cash</b>  |      |                   |                   |
| For the purposes of the Cash Flow Statement, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Balance Sheet as follows: |      |                   |                   |
| Cash and Cash Equivalents   |      | 26,082,842        | 16,411,330        |
| <b>b. Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>   |      |                   |                   |
| Net Result  |      | 10,448,205        | 5,072,639         |
| Depreciation  |      | 8,521,548         | 8,192,576         |
| (Profit) / Loss on Sale of Asset  |      | (53,494)          | (426,389)         |
| (Increase) / Decrease in Receivables  |      | 696,220           | (509,191)         |
| (Increase) / Decrease in Inventories  |      | (6,175)           | (2,189)           |
| Increase / (Decrease) in Payables   |      | 1,724,220         | 1,571,809         |
| Increase / (Decrease) in Employee Provisions  |      | 418,364           | 369,433           |
| Grants and Contributions for Asset Development  |      | (2,524,565)       | (3,228,848)       |
| <b>Net Cash from Operating Activities</b>   |      | <b>19,224,323</b> | <b>11,039,840</b> |
| <b>c. Undrawn Borrowing Facilities</b>  |      |                   |                   |
| <b>Credit Standby Arrangements</b>  |      |                   |                   |
| Bank Overdraft Limit  |      | 100,000           | 100,000           |
| Bank Overdraft at Balance Date  |      | 0                 | 0                 |
| Credit Card Limit   |      | 6,000             | 6,000             |
| Credit Card at Balance Date   |      | 0                 | 0                 |
| Total Amount of Credit Unused   |      | 106,000           | 106,000           |
| <b>Loan Facilities</b>  |      |                   |                   |
| Loan Facilities - Current   |      | 672,202           | 234,072           |
| Loan Facilities - Non-Current   |      | 1,738,227         | 1,381,029         |
| <b>Total Facilities in Use at Balance Date</b>  |      | <b>2,410,429</b>  | <b>1,615,101</b>  |
| <b>Unused Loan Facilities at Balance Date</b>   |      | <b>0</b>          | <b>0</b>          |

**14. Contingent Liabilities**

Council had no contingent liabilities for the periods reported.

**15. Capital and Leasing Commitments**

Council had no Capital or Finance Leasing Commitments for the periods reported.

**16. Joint Ventures**

Council had no Joint Venture arrangements with other organisations for the periods reported.

**17. Trust Funds**

Funds held at the balance date over which Council has no control and that are not included in the financial statements are as follows:

| Item                                  | Balance<br>1 July 2006<br>\$ | Amounts<br>Received<br>\$ | Amounts<br>Paid<br>\$ | Balance<br>30 June 2007<br>\$ |
|---------------------------------------|------------------------------|---------------------------|-----------------------|-------------------------------|
| Rates in Suspense                     | 18,641                       | 7,979                     | 0                     | 26,620                        |
| SEMACC Lease Liability                | 10,525                       | 0                         | 0                     | 10,525                        |
| Town Planning Bonds and S28A Deposits | 51,362                       | 0                         | 0                     | 51,362                        |
|                                       | 80,528                       | 7,979                     | 0                     | 88,507                        |

**18. Total Assets (Current and Non-Current) Classified by Function and Activity**

|                              | 2007<br>\$  | 2006<br>\$  |
|------------------------------|-------------|-------------|
| General Purpose Funding      | 22,025,418  | 9,842,282   |
| Governance                   | 1,192,474   | 2,268,706   |
| Law, Order and Public Safety | 1,323,127   | 1,335,976   |
| Health                       | 136,534     | 128,923     |
| Education and Welfare        | 2,854,449   | 2,896,379   |
| Community Amenities          | 7,448,845   | 5,935,114   |
| Recreation and Culture       | 51,039,656  | 55,482,859  |
| Transport                    | 143,281,928 | 139,507,719 |
| Economic Services            | 283,758     | 277,626     |
| Other Property and Services  | 1,753,705   | 278,193     |
|                              | 231,339,894 | 217,953,777 |



### 19. Disposal of Assets

The following assets were disposed of during the year:

| Item                    | Net Book Value |              | Sale Price   |              | Profit / (Loss) |              |
|-------------------------|----------------|--------------|--------------|--------------|-----------------|--------------|
|                         | Actual<br>\$   | Budget<br>\$ | Actual<br>\$ | Budget<br>\$ | Actual<br>\$    | Budget<br>\$ |
| Plant and Machinery     |                |              |              |              |                 |              |
| Sedan - 85291           | 10,526         | 13,714       | 12,963       | 18,756       | 2,437           | 5,042        |
| Sedan - 85299           | 9,304          | 13,714       | 11,518       | 18,756       | 2,214           | 5,042        |
| Sedan - 85307           | 10,981         | 15,910       | 12,973       | 18,756       | 1,992           | 2,846        |
| Sedan - 85304           | 11,874         | 12,119       | 12,336       | 18,756       | 462             | 6,637        |
| Sedan - 85284           | 15,038         | 13,431       | 12,336       | 13,000       | (2,702)         | (431)        |
| Wagon - 85303           | 10,959         | 14,204       | 15,064       | 18,756       | 4,105           | 4,552        |
| Utility - 85288         | 12,171         | 15,855       | 15,629       | 18,000       | 3,458           | 2,145        |
| Utility - 85302         | 11,622         | 11,897       | 13,599       | 18,756       | 1,977           | 6,859        |
| Utility - 85311         | 12,031         | 22,611       | 14,720       | 22,924       | 2,689           | 313          |
| Utility - 85294         | 14,293         | 15,998       | 19,700       | 15,630       | 5,407           | (368)        |
| Utility - 85297         | 14,979         | 15,631       | 21,791       | 15,630       | 6,812           | 0            |
| Truck - 85318           | 0              | 52,219       | 30,000       | 52,100       | 30,000          | (119)        |
| Truck - 85277           | 0              | 11,674       | 18,729       | 15,630       | 18,729          | 3,956        |
| Truck - 85356           | 0              | 11,674       | 11,530       | 15,630       | 11,530          | 3,956        |
| Truck - 85319           | 56,196         | 52,219       | 50,000       | 52,100       | (6,196)         | (119)        |
| Slasher - 85314         | 0              | 0            | 1,091        | 1,042        | 1,091           | 1,042        |
| Outfront Mower - 85315  | 6,183          | 0            | 7,273        | 7,294        | 1,090           | 7,294        |
| Trailer - 85389         | 0              | 0            | 0            | 104          | 0               | 104          |
| Multi-Vac - 85996       | 0              | 0            | 0            | 208          | 0               | 208          |
| Spreader - 85997        | 0              | 0            | 909          | 3,439        | 909             | 3,439        |
| Generator - 85995       | 1,387          | 0            | 0            | 834          | (1,387)         | 834          |
| Sedan - 85298           | 17,965         | 14,499       | 12,417       | 14,588       | (5,548)         | 89           |
| Utility - 85325         | 15,278         | 15,395       | 15,447       | 19,798       | 169             | 4,403        |
| Utility - 85328         | 17,225         | 18,892       | 20,382       | 22,924       | 3,157           | 4,032        |
| Executive Sedan - 85265 | 26,267         | 26,434       | 23,720       | 29,176       | (2,547)         | 2,742        |
| Wagon - 85257           | 21,835         | 21,931       | 17,518       | 22,924       | (4,317)         | 993          |
| Utility - 85289         | 14,256         | 14,271       | 11,518       | 15,630       | (2,738)         | 1,359        |
| Utility - 85287         | 22,307         | 12,724       | 20,084       | 14,588       | (2,223)         | 1,864        |
| Executive 4x4 - 85255   | 26,123         | 26,402       | 23,109       | 26,050       | (3,014)         | (352)        |
| Executive Sedan - 85250 | 30,911         | 30,602       | 25,856       | 33,344       | (5,055)         | 2,742        |
| Sedan - 85253           | 23,438         | 21,561       | 19,700       | 19,798       | (3,738)         | (1,763)      |
| Executive 4x4 - 85251   | 29,134         | 29,314       | 27,377       | 29,176       | (1,757)         | (138)        |
| Executive Sedan - 85261 | 27,303         | 28,621       | 23,791       | 29,176       | (3,512)         | 555          |
| Utility - 85280         | 0              | 10,977       | 0            | 19,798       | 0               | 8,821        |

**19. Disposal of Assets *cont...***

| Item                      | Net Book Value |              | Sale Price   |              | Profit / (Loss) |              |
|---------------------------|----------------|--------------|--------------|--------------|-----------------|--------------|
|                           | Actual<br>\$   | Budget<br>\$ | Actual<br>\$ | Budget<br>\$ | Actual<br>\$    | Budget<br>\$ |
| Truck - 85375             | 0              | 12,227       | 0            | 15,630       | 0               | 3,403        |
| Cleaner - 85998           | 0              | 0            | 0            | 417          | 0               | 417          |
| Roller - 85337            | 0              | 0            | 0            | 20,840       | 0               | 20,840       |
| Truck - 85323             | 0              | 12,227       | 0            | 15,630       | 0               | 3,403        |
| Truck - 85321             | 0              | 10,647       | 0            | 15,630       | 0               | 4,983        |
| Truck - 85322             | 0              | 11,674       | 0            | 15,630       | 0               | 3,956        |
| Sedan - 85266             | 0              | 11,242       | 0            | 15,630       | 0               | 4,388        |
| Utility - 85283           | 0              | 12,294       | 0            | 19,798       | 0               | 7,504        |
| Compactor - 85271         | 0              | 8,673        | 0            | 10,000       | 0               | 1,326        |
|                           | 469,586        | 643,477      | 523,080      | 772,276      | 53,494          | 128,799      |
| <b>Land and Buildings</b> |                |              |              |              |                 |              |
| Land - POS Strategy       | 0              | 600,000      | 0            | 600,000      |                 | 0            |
|                           | 0              | 600,000      | 0            | 600,000      | 0               | 0            |
| <b>Total</b>              | 469,586        | 1,243,477    | 523,080      | 1,372,276    | 53,494          | 128,799      |

**20. Financial Ratios**

|                                       | 2007 | 2006 | 2005 | 2004 | 2003 |
|---------------------------------------|------|------|------|------|------|
| Current Ratio                         | 4.07 | 3.00 | 2.23 | 1.53 | 1.11 |
| Untied Cash to Trade Creditors Ratio  | 6.13 | 2.79 | 3.52 | 9.70 | 0.91 |
| Debt Ratio                            | 0.06 | 0.05 | 0.04 | 0.03 | 0.02 |
| Debt Service Ratio                    | 0.01 | 0.01 | 0.01 | 0.04 | 0.02 |
| Gross Debt to Revenue Ratio           | 0.06 | 0.05 | 0.06 | 0.04 | 0.02 |
| Gross Debt to Realisable Assets Ratio | 0.04 | 0.04 | 0.04 | 0.03 | 0.01 |
| Rate Coverage Ratio                   | 0.53 | 0.54 | 0.54 | 0.51 | 0.51 |
| Outstanding Rates Ratio               | 0.02 | 0.02 | 0.03 | 0.06 | 0.08 |

The above Ratios are calculated as follows:

|                                       |   |   |
|---------------------------------------|---|---|
| Current Ratio                         | = | $\frac{\text{Current Assets Minus Restricted Current Assets}}{\text{Current Liabilities Minus Liabilities From Restricted Assets}}$ |
| Untied Cash to Trade Creditors Ratio  | = | $\frac{\text{Untied Cash}}{\text{Unpaid Trade Creditors}}$  |
| Debt Ratio                            | = | $\frac{\text{Total Liabilities}}{\text{Total Assets}}$  |
| Debt Service Ratio                    | = | $\frac{\text{Debt Service Cost (Principal and Interest Costs)}}{\text{Available Operating Revenue}}$                                |
| Gross Debt to Revenue Ratio           | = | $\frac{\text{Gross Debt}}{\text{Total Revenue}}$  |
| Gross Debt to Realisable Assets Ratio | = | $\frac{\text{Gross Debt}}{\text{Economically Realisable Assets}}$   |
| Rate Coverage Ratio                   | = | $\frac{\text{Net Rate Revenue}}{\text{Operating Revenue}}$  |
| Outstanding Rates Ratio               | = | $\frac{\text{Rates Outstanding}}{\text{Rates Collectable}}$   |

**21. Information on Borrowings and Interest Rates**

**a. Repayment - Debentures (Budget)**

|                                    | Principal<br>1 July<br>\$ | New Loans<br>\$ | Principal<br>Repayments<br>Budget<br>\$ | Principal<br>30 June<br>Budget<br>\$ | Interest<br>Repayments<br>Budget<br>\$ |
|------------------------------------|---------------------------|-----------------|---|--------------------------------------|--|
| <b>Particulars</b>                 |                           |                 |   |                                      |  |
| <b>Governance</b>                  |                           |                 |   |                                      |  |
| 282 - Corporate Systems            | 604,221                   | 0               | 109,000                                 | 495,221                              | 36,500                                 |
| 283 - ARA Works 2007               | 0                         | 208,400         | 12,000                                  | 196,400                              | 10,500                                 |
| 285 - Temporary Administration     | 447,896                   | 0               | 40,000                                  | 407,896                              | 26,500                                 |
| 288 - Municipal Borrowings 2007    | 0                         | 521,000         | 31,000                                  | 490,000                              | 25,500                                 |
| <b>Recreation and Culture</b>      |                           |                 |   |                                      |  |
| 268 - Pries Park Pavilion          | 4,502                     | 0               | 4,000                                   | 502                                  | 1,500                                  |
| 271 - Recreation Centre            | 27,399                    | 0               | 27,000                                  | 399                                  | 2,500                                  |
| 281 - Golf Course Plan             | 118,595                   | 0               | 25,000                                  | 93,595                               | 8,500                                  |
| 284 - Rushton Park Redevelopment   | 320,000                   | 0               | 25,000                                  | 295,000                              | 20,500                                 |
| 286 - Kelmscott Library Relocation | 92,350                    | 0               | 9,000                                   | 83,350                               | 6,500                                  |
| <b>Transport</b>                   |                           |                 |   |                                      |  |
| 287 - Civil Works 2006             | 0                         | 300,000         | 23,000                                  | 277,000                              | 20,500                                 |
| 289 - Civil Works 2007             | 0                         | 208,400         | 12,000                                  | 196,400                              | 10,500                                 |
|                                    | 1,614,963                 | 1,237,800       | 317,000                                 | 2,535,763                            | 169,500                                |



**b. Repayment - Debentures (Actual)**

| Particulars                        | Principal<br>1 July<br>\$ | New Loans<br>\$ | Principal<br>Repayments<br>Actual<br>\$ | Principal<br>30 June<br>Actual<br>\$ | Interest<br>Actual<br>\$ |
|------------------------------------|---------------------------|-----------------|---|--------------------------------------|--------------------------|
| <b>Governance</b>                  |                           |                 |   |                                      |                          |
| 282 - Corporate Systems            | 604,223                   | 0               | 106,952                                 | 497,271                              | 33,901                   |
| 283 - ARA Works 2007               | 0                         | 0               | 0                                       | 0                                    | 0                        |
| 285 - Temporary Administration     | 447,896                   | 0               | 39,264                                  | 408,632                              | 24,958                   |
| 288 - Municipal Borrowings 2007    | 0                         | 521,000         | 0                                       | 521,000                              | 198                      |
| <b>Recreation and Culture</b>      |                           |                 |   |                                      |                          |
| 268 - Pries Park Pavilion          | 4,640                     | 0               | 4,640                                   | 0                                    | 179                      |
| 271 - Recreation Centre            | 27,398                    | 0               | 27,398                                  | 0                                    | 1,072                    |
| 281 - Golf Course Plan             | 118,595                   | 0               | 23,804                                  | 94,791                               | 6,228                    |
| 284 - Rushton Park Redevelopment   | 320,000                   | 0               | 23,919                                  | 296,081                              | 19,525                   |
| 286 - Kelmscott Library Relocation | 92,349                    | 0               | 8,095                                   | 84,254                               | 5,146                    |
| <b>Transport</b>                   |                           |                 |   |                                      |                          |
| 287 - Civil Works 2006             | 0                         | 300,000         | 0                                       | 300,000                              | 114                      |
| 289 - Civil Works 2007             | 0                         | 208,400         | 0                                       | 208,400                              | 79                       |
|                                    | 1,615,101                 | 1,029,400       | 234,072                                 | 2,410,429                            | 91,400                   |

**21. Information on Borrowings and Interest Rates (continued)**

**c. New Debentures**

| Particulars                     | Amount Borrowed |           | Amount Used |           | Balance |
|---------------------------------|-----------------|-----------|-------------|-----------|---------|
|                                 | Actual          | Budget    | Actual      | Budget    | Unspent |
| 283 - ARA Works 2007            | 0               | 208,400   | 0           | 208,400   | 0       |
| 287 - Civil Works 2006          | 300,000         | 300,000   | 300,000     | 300,000   | 0       |
| 288 - Municipal Borrowings 2007 | 521,000         | 521,000   | 521,000     | 521,000   | 0       |
| 289 - Civil Works 2007          | 208,400         | 208,400   | 208,400     | 208,400   | 0       |
|                                 | 1,029,400       | 1,237,800 | 1,029,400   | 1,237,800 | 0       |

| Particulars                     | Institution | Loan Type | Term (Years) | Total Costs | Interest Rate |
|---------------------------------|-------------|-----------|--------------|-------------|---------------|
| 283 - ARA Works 2007            | -           | -         | -            | -           | -             |
| 287 - Civil Works 2006          | WATC        | Debenture | 4            | 73,084      | 6.92%         |
| 288 - Municipal Borrowings 2007 | WATC        | Debenture | 4            | 126,922     | 6.92%         |
| 289 - Civil Works 2007          | WATC        | Debenture | 4            | 50,769      | 6.92%         |
|                                 |             |           |              | 250,775     |               |

**d. Unspent Debentures**

Council had no Unspent Debentures at 30 June 2007.

**e. Overdraft Facilities**

Council did not utilise an overdraft facility during the 2006-2007 Financial Year, although a \$100,000 facility has been established with Council's bankers to assist with short-term liquidity requirements. A further provision to this facility is the permitted temporary increase to \$1,500,000 during the months of July through September if required. Council did not need to utilise these facilities and the balance of any bank overdraft facilities at 1 July 2006 and 30 June 2007 was \$nil.

**f. Interest Rate Risk Exposure as at 30 June 2006**

| Description / Weighted Average Rates | Non-Interest Bearing | Variable Interest Rate | Less than 1 Year | Between 1 and 5 Years | More than 5 Years | Total       |
|--------------------------------------|----------------------|------------------------|------------------|-----------------------|-------------------|-------------|
| <b>Assets</b>                        |                      |                        |                  |                       |                   |             |
| Cash/Deposits (6.3%)                 | 0                    | 16,411,330             | 0                | 0                     | 0                 | 16,411,330  |
| Receivables                          | 3,322,445            | 327,800                | 0                | 0                     | 0                 | 3,650,245   |
| Inventories                          | 91,183               | 0                      | 0                | 0                     | 0                 | 91,183      |
| Property/Equipment                   | 25,305,404           | 0                      | 0                | 0                     | 0                 | 25,305,404  |
| Infrastructure                       | 172,495,615          | 0                      | 0                | 0                     | 0                 | 172,495,615 |
|                                      | 201,214,647          | 16,739,130             | 0                | 0                     | 0                 | 217,953,777 |
| <b>Liabilities</b>                   |                      |                        |                  |                       |                   |             |
| Payables                             | 5,868,377            | 0                      | 0                | 0                     | 0                 | 5,868,377   |
| Provisions                           | 2,803,933            | 0                      | 0                | 0                     | 0                 | 2,803,933   |
| Borrowings (5.91%)                   | 0                    | 0                      | 32,038           | 722,817               | 860,246           | 1,615,101   |
|                                      | 8,672,310            | 0                      | 32,038           | 722,817               | 860,246           | 10,287,411  |

**g. Interest Rate Risk Exposure as at 30 June 2007**

| Description / Weighted Average Rates | Non-Interest Bearing | Variable Interest Rate | Less than 1 Year | Between 1 and 5 Years | More than 5 Years | Total       |
|--------------------------------------|----------------------|------------------------|------------------|-----------------------|-------------------|-------------|
| <b>Assets</b>                        |                      |                        |                  |                       |                   |             |
| Cash/Deposits (6.3%)                 | 0                    | 26,802,842             | 0                | 0                     | 0                 | 26,802,842  |
| Receivables                          | 2,580,814            | 373,211                | 0                | 0                     | 0                 | 2,954,025   |
| Inventories                          | 97,358               | 0                      | 0                | 0                     | 0                 | 97,358      |
| Property/Equipment                   | 26,473,592           | 0                      | 0                | 0                     | 0                 | 26,473,592  |
| Infrastructure                       | 175,012,077          | 0                      | 0                | 0                     | 0                 | 175,012,077 |
|                                      | 204,163,841          | 27,176,053             | 0                | 0                     | 0                 | 231,339,894 |
| <b>Liabilities</b>                   |                      |                        |                  |                       |                   |             |
| Payables                             | 7,592,597            | 0                      | 0                | 0                     | 0                 | 7,592,597   |
| Provisions                           | 3,222,297            | 0                      | 0                | 0                     | 0                 | 3,222,297   |
| Borrowings (6.36%)                   | 0                    | 0                      | 672,202          | 1,476,086             | 262,141           | 2,410,429   |
|                                      | 10,814,894           | 0                      | 672,202          | 1,476,086             | 262,141           | 13,225,323  |

City of Armadale – Notes to, and forming part of, the Financial Report for the year ended 30 June 2007 *cont...*

|                                       | Rate in \$<br>/Minimum<br>Charge | Property<br>Numbers | Rateable<br>Value<br>\$ | Rate<br>Revenue<br>\$ | Interim<br>/Back Rating<br>\$ | Total<br>Revenue<br>\$ |
|---------------------------------------|----------------------------------|---------------------|-------------------------|-----------------------|-------------------------------|------------------------|
| <b>22. Rating Information</b>         |                                  |                     |                         |                       |                               |                        |
| <b>a. Rating Information (Budget)</b> |                                  |                     |                         |                       |                               |                        |
| <b>Rate Type</b>                      |                                  |                     |                         |                       |                               |                        |
| <u>General Rate</u>                   |                                  |                     |                         |                       |                               |                        |
| Gross Rental Value                    | 0.11260                          | 17,774              | 160,219,933             | 18,040,764            | 339,988                       | 18,380,752             |
| Unimproved Value                      | 0.00457                          | 194                 | 142,493,250             | 651,194               | 0                             | 651,194                |
| <b>Sub-Total</b>                      |                                  | 17,968              | 302,713,183             | 18,691,958            | 339,988                       | 19,031,946             |
| <u>Minimum Rate</u>                   |                                  |                     |                         |                       |                               |                        |
| Gross Rental Value                    | \$643                            | 3,247               | 14,965,448              | 2,087,821             | 0                             | 2,087,821              |
| Unimproved Value                      | \$773                            | 23                  | 2,739,349               | 17,779                | 0                             | 17,779                 |
| <b>Sub-Total</b>                      |                                  | 3,270               | 17,704,797              | 2,105,600             | 0                             | 2,105,600              |
| <b>Total</b>                          |                                  | 21,238              | 320,417,980             | 20,797,558            | 339,988                       | 21,137,546             |
| Rate Equivalent Charge                |                                  |                     |                         |                       |                               | 0                      |
| Specified Area Rates                  | Note 23                          |                     |                         |                       |                               | 193,512                |
| <b>Total</b>                          |                                  |                     |                         |                       |                               | 21,331,058             |
| <b>b. Rating Information (Actual)</b> |                                  |                     |                         |                       |                               |                        |
| <b>Rate Type</b>                      |                                  |                     |                         |                       |                               |                        |
| <u>General Rate</u>                   |                                  |                     |                         |                       |                               |                        |
| Gross Rental Value                    | 0.11260                          | 17,905              | 160,786,773             | 18,101,903            | 311,788                       | 18,413,691             |
| Unimproved Value                      | 0.00457                          | 196                 | 142,493,250             | 651,194               | 7,790                         | 658,984                |
| <b>Sub-Total</b>                      |                                  | 18,101              | 303,280,023             | 18,753,097            | 319,578                       | 19,072,675             |
| <u>Minimum Rate</u>                   |                                  |                     |                         |                       |                               |                        |
| Gross Rental Value                    | \$643                            | 3,459               | 15,844,864              | 2,224,137             | (6,820)                       | 2,217,317              |
| Unimproved Value                      | \$773                            | 23                  | 2,739,349               | 17,779                | 642                           | 18,421                 |
| <b>Sub-Total</b>                      |                                  | 3,482               | 18,584,213              | 2,241,916             | (6,178)                       | 2,235,738              |
| <b>Total</b>                          |                                  | 21,583              | 321,864,236             | 20,995,013            | 313,400                       | 21,308,413             |
| Rate Equivalent Charge                |                                  |                     |                         |                       |                               | 3,681                  |
| Specified Area Rates                  | Note 23                          |                     |                         |                       |                               | 194,370                |
| <b>Total</b>                          |                                  |                     |                         |                       |                               | 21,506,464             |



|  | Rate in \$<br>/Minimum<br>Charge | Property<br>Numbers | Rateable<br>Value<br>\$ | Rate<br>Revenue<br>\$ | Interim /<br>Back Rating<br>\$ | Total<br>Revenue<br>\$ |
|--|----------------------------------|---------------------|-------------------------|-----------------------|--------------------------------|------------------------|
|--|----------------------------------|---------------------|-------------------------|-----------------------|--------------------------------|------------------------|

### 23. Specified Area Rates

#### a. Specified Area Rates (Budget)

| Rate Type                 |         |            |                   |                |          |                |
|---------------------------|---------|------------|-------------------|----------------|----------|----------------|
| Specified Area Rate - GRV |         |            |                   |                |          |                |
| A - Armadale CBD          | 0.00737 | 91         | 11,527,001        | 84,954         | 0        | 84,954         |
| B - Kelmscott CBD         | 0.01374 | 67         | 4,126,856         | 56,703         | 0        | 56,703         |
| C - Kelmscott Industrial  | 0.00361 | 301        | 3,930,746         | 14,190         | 0        | 14,190         |
| D - S/Armadale Industrial | 0.00988 | 115        | 1,638,664         | 16,190         | 0        | 16,190         |
| E - Shopping Precincts    | 0.01118 | 13         | 1,920,841         | 21,475         | 0        | 21,475         |
| <b>Total</b>              |         | <b>587</b> | <b>23,144,108</b> | <b>193,512</b> | <b>0</b> | <b>193,512</b> |

#### b. Specified Area Rates (Actual)

| Rate Type                 |         |            |                   |                |                |                |
|---------------------------|---------|------------|-------------------|----------------|----------------|----------------|
| Specified Area Rate - GRV |         |            |                   |                |                |                |
| A - Armadale CBD          | 0.00737 | 91         | 11,533,104        | 84,999         | (1,585)        | 83,414         |
| B - Kelmscott CBD         | 0.01374 | 67         | 4,127,107         | 56,706         | 0              | 56,706         |
| C - Kelmscott Industrial  | 0.00361 | 301        | 3,935,415         | 14,207         | (179)          | 14,028         |
| D - S/Armadale Industrial | 0.00988 | 115        | 1,639,112         | 16,194         | 358            | 16,552         |
| E - Shopping Precincts    | 0.01118 | 13         | 2,117,165         | 23,670         | 0              | 23,670         |
| <b>Total</b>              |         | <b>587</b> | <b>23,351,903</b> | <b>195,776</b> | <b>(1,406)</b> | <b>194,370</b> |

In the 2006-2007 Financial Year Council imposed 5 separate Specified Area Rates, whose purpose was to enhance the amenity of selected Townscapes by way of increased and improved service levels. The service - referred to as the Townscape Amenity Service - provided and funded by the Specified Area Rate entailed increased and improved levels of street bin emptying, litter pick-ups, road and path sweeping, water blasting of pathways, garden maintenance, general maintenance (street furniture, signs, graffiti removal, bin cleaning etc) and weed control spraying.

The proceeds of the rates are applied in full to the provision of the service and, as such, no transfer to, or from, Reserve Accounts has occurred.

**24. Service Charges**

No service charges were imposed for the 2006 / 2007 Financial Year.  
Therefore no transfer to, or from, Reserve Accounts has occurred.

**25. Discounts, Incentives, Concessions and Write-Offs**

**Discounts**

No discounts were offered in the 2006 / 2007 Financial Year.

**Incentives**

Three rate payment incentives were offered in the 2006 / 2007 Financial Year. The first was three prizes of \$1,000 provided by Council of Armadale. The second is one prize of \$1,000 provided by Australia Post. The third is four prizes of \$500 to those ratepayers currently using, or opting to use, Council's yearly direct debit payment method. Conditions relating to timing of the payment of rates and entry conditions applied to these incentives.

**Concessions**

No concessions were offered in the 2006 / 2007 Financial Year.

**Write-Offs**

The following Write-Offs were made during the 2006 / 2007 Financial Year:

|                        | \$      |
|------------------------|---------|
| Various Infringements  | 13,359  |
| Various Rates          | 31,915  |
| Various Sundry Debtors | 62,084  |
|                        | 107,358 |

**26. Interest Charges and Instalments**

| Particulars                               | Interest Rate<br>% | Admin Charge<br>\$ | Revenue<br>\$ | Budgeted Revenue<br>\$ |
|---|--------------------|--------------------|---------------|------------------------|
| Interest on Late Paid Rates               | 11                 | -                  | 71,247        | 82,300                 |
| Interest on Instalment Plans              | 5.5                | -                  | 91,619        | 98,700                 |
| Interest on Emergency Services Levy       | 11                 | -                  | 888           | 0                      |
| Charges on Instalment Plans (per payment) | -                  | 6.90               | 107,861       | 131,600                |
| Charges on Special Arrangements           | -                  | 33.00              | 3,022         | 2,600                  |
|   |                    |                    | 274,637       | 315,200                |

Ratepayers had the option of paying rates in two or four equal instalments with Administration Charges and Interest applied for all but the first instalment.

City of Armadale – Notes to, and forming part of, the Financial Report for the year ended 30 June 2007 *cont...*

|                              | Note<br>\$ | 2007<br>\$ | 2007<br>Budget<br>\$ | 2006<br>\$ |
|------------------------------|------------|------------|----------------------|------------|
| <b>27. Fees and Charges</b>  |            |            |                      |            |
| General Purpose Funding      |            | 299,532    | 271,400              | 289,356    |
| Governance                   |            | 7,373      | 3,500                | 111,986    |
| Law, Order and Public Safety |            | 274,229    | 285,825              | 283,633    |
| Health                       |            | 60,391     | 74,100               | 103,195    |
| Education and Welfare        |            | 6,360      | 4,570                | 9,937      |
| Community Amenities          |            | 5,397,662  | 4,603,543            | 4,361,266  |
| Recreation and Culture       |            | 636,786    | 602,149              | 24,415     |
| Transport                    |            | 689,651    | 140,306              | 200,335    |
| Economic Services            |            | 907,070    | 414,000              | 704,868    |
| Other Property and Services  |            | 104,572    | 110,853              | 0          |
|                              |            | 8,383,626  | 6,510,246            | 6,088,991  |

**28. Grant Revenue**

**By Nature and Type**

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| Grants and Subsidies - Operating     | 3,166,992 | 2,455,390 |
| Grants and Subsidies - Non-Operating | 2,524,565 | 3,228,848 |
|                                      | 5,691,557 | 5,684,238 |

**By Nature and Type**

|                              |           |           |
|------------------------------|-----------|-----------|
| General Purpose Funding      | 1,983,749 | 2,021,968 |
| Governance                   | 0         | 0         |
| Law, Order and Public Safety | 147,031   | 104,273   |
| Health                       | 10,408    | 9,741     |
| Education and Welfare        | 142,929   | 188,692   |
| Community Amenities          | 58,826    | 83,351    |
| Recreation and Culture       | 77,600    | 258,800   |
| Transport                    | 3,255,046 | 3,017,413 |
| Economic Services            | 15,968    | 0         |
| Other Property and Services  | 0         | 0         |
|                              | 5,691,557 | 5,684,238 |

**29. Employee Numbers**

|  |     |     |
|--|-----|-----|
| Number of Full-Time Equivalent Employees at Balance Date | 236 | 220 |
|--|-----|-----|

City of Armadale – Notes to, and forming part of, the Financial Report for the year ended 30 June 2007 *cont...*

|  | Note | 2007<br>\$ | 2007<br>Budget<br>\$ | 2006<br>\$ |
|--|------|------------|----------------------|------------|
| <b>30. Councillors' Remuneration</b>   |      |            |                      |            |
| The following fees, expenses and allowances were paid to Council Members and / or the Mayor: |      |            |                      |            |
| Annual Attendance Fees   |      | 105,000    | 105,000              | 105,000    |
| Annual Local Government Allowance  |      | 48,900     | 48,900               | 40,500     |
| Telecommunications Allowance   |      | 23,380     | 23,380               | 22,400     |
| Travel Reimbursement   |      | 10,858     | 13,000               | 10,382     |
| Communications Reimbursement   |      | 7,966      | 11,676               | 7,161      |
| Child Minding Reimbursement  |      | 0          | 5,200                | 0          |
| Information Technology Allowance   |      | 14,000     | 14,000               | 14,000     |
|  |      | 210,104    | 221,156              | 199,443    |

**31. Employees' Remuneration**

Set out below, in bands of \$10,000, is the number of employees at Council entitled to an annual salary of \$100,000 or more as at 30 June 2007.

|                   | 2007 | 2006 | 2005 |
|-------------------|------|------|------|
| 100,000 - 109,999 | 2    | 2    | 2    |
| 110,000 - 119,999 | 2    | 2    | 0    |
| 120,000 - 129,999 | 0    | 0    | 0    |
| 130,000 - 139,999 | 0    | 0    | 0    |
| 140,000 - 149,999 | 0    | 0    | 1    |
| 150,000 - 159,999 | 0    | 1    | 0    |
| 160,000 - 169,999 | 1    | 0    | 0    |
| 170,000 - 179,999 | 0    | 0    | 0    |
|                   | 5    | 5    | 3    |

**32. Major Land Transactions**

No Major Land Transactions occurred in the 2006 / 2007 Financial Year.







